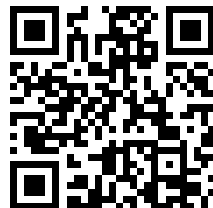

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DOCUMENTS ON
BRITISH
FOREIGN POLICY
1919-1939

EDITED BY
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DOCUMENTS ON BRITISH FOREIGN POLICY

1919-1939

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First Series, Volume XIV

Far Eastern Affairs

April 1920—February 1922

PREFACE

THIS volume follows up Chapter II of Volume VI which concluded with documents of April 1, 1920. The present volume not only completes the documentation of British foreign policy generally in the year 1920, but also continues the survey of Far Eastern affairs down to the conclusion of the Washington Conference on Pacific Affairs and the Limitation of Armament on February 6, 1922.

The volume is divided chronologically into six chapters. Many of the leading themes in the Far Eastern chapter of Volume VI continue to be prominent during part or the whole of the period here covered: for example, the weakness of the Chinese Central Government and the problems which this created, Japanese economic penetration into China, the future of Shantung and of the Chinese Eastern Railway, and, last but not least, the Anglo-Japanese Alliance and the question of its renewal.

With respect to China, the policy of His Majesty's Government was directed primarily at co-operation with the United States and other powers in protecting foreign lives and property (e.g. No. 332) and shipping and commercial interests, in maintaining the embargo upon the import of arms (e.g. Nos. 192, 221), and in preserving the revenues of services affected by international agreements from seizure by Chinese war-lords. The first two chapters also include further correspondence relating to the international consortium formed to assist China in her financial difficulties: while the last contains, among other material relating to China, documents illustrating the contribution of the British Delegation to the Washington Conference to the settlement of the Shantung question, and correspondence concerning the restoration of Weihaiwei to China.

Despite the efforts to assist her, the outlook in China remained unpromising. On the eve of the Washington Conference a Foreign Office memorandum (No. 404) described the state of Chinese affairs as 'chaotic in the extreme. It would be difficult to name a time when the Central Government at Peking stood at a lower ebb . . . almost impotent, utterly discredited, verging on bankruptcy, and entirely at the mercy of the Provincial Military Governors.' The situation did not improve during the three months which followed and which are covered in the last chapter of this volume. Telegrams from H.M. Minister at Peking reported a run on the banks (No. 422), a boycott of British works at Amoy (Nos. 526, 528, 530), and the threatened seizures of salt and customs revenues by a Chinese war-lord and by sailors whose pay was in arrears (Nos. 537, 553). Meanwhile His Majesty's Government had been unable to induce the Chinese Government to resume until after the Washington Conference the negotiations concerning the Tibetan question which had been interrupted in 1919, and, as Mr. Balfour reported

on February 4, 1922 (No. 579), the Conference had failed to solve the vexed question of the Chinese Eastern Railway: the Chinese Delegation had rejected 'a practical scheme of foreign assistance made in all sincerity . . . under the direct inspiration of the American Government . . .' and 'acquiesced in by all the interested Powers. . . History alone can judge on which side the balance of advantage to China lies.'

Relations with Japan during the period covered by this volume were marked by many points of friction. Apart from the disquiet caused by Japanese encroachments in China, which was reflected in certain memoranda (e.g. Nos. 40 and 212), there was some anxiety concerning Japan's intentions with regard to the Chinese Eastern Railway (No. 48) and a sense of the desirability of greater frankness in her communications with His Majesty's Government in accordance with the spirit of the Anglo-Japanese Alliance (No. 63). There was dissatisfaction, too, with the Japanese Government's reply (No. 93) to representations concerning their administration of Tsingtao; and His Majesty's Government found it necessary to warn the Japanese Government against any departure from the policy of embargo upon the importation of arms into China (Nos. 202, 230) and to make friendly representations concerning the severity of the repression of troubles in Chientao by Japanese troops. A further particular cause of friction was the arrest in Korea on July 11, 1920 (No. 98), of Mr. J. L. Shaw, whose case raised interesting points of international law and was not settled until April 1921 (No. 265). On the other hand, the Japanese Government became more communicative and conciliatory about their policy on the Asian mainland (No. 132), a friendly relationship was established between the new Japanese Ambassador in London, Baron Hayashi, and Lord Curzon (see e.g. No. 328, n. 5), the Crown Prince of Japan paid a successful visit to England in May 1921 (No. 287), there were cordial exchanges during the negotiations preceding the Washington Conference (Nos. 357, 365), and during the Conference itself an extremely warm tribute was paid by the Japanese Government to the leader of the British Delegation, Mr. Balfour, in recognition of the part he had played for twenty years in maintaining friendly relations between Great Britain and Japan (No. 512).

Throughout this period Anglo-Japanese relations were dominated by the question of the renewal of the Anglo-Japanese Alliance. Already the subject of numerous representations and memoranda (see e.g. Nos. 26, 35, 40, 52, 59, 80, 97), this question was in October 1920 referred (along with Great Britain's future policy in the Far East) to an *ad hoc* committee set up in the Foreign Office (No. 139). The Committee's report in January 1921 (No. 212) unanimously recommended that the Alliance 'should be dropped, and that in its stead should, if possible, be substituted a Tripartite *Entente* between the United States, Japan and Great Britain, consisting in a declaration of general principles which can be subscribed to by all parties without the risk of embarrassing commitments'. Support for the termination of the Alliance was reported later (No. 261) to have come from the Canadian Government, who also proposed the holding of a conference of Pacific

Powers. This suggestion was endorsed by the Imperial Conference, which met in London in the summer of 1921, and the eventual outcome was the Washington Conference (November 12, 1921–February 6, 1922) at which the Treaty of Alliance was replaced by a Quadruple Treaty between the United States, Japan, the British Empire and France. The purpose of such an agreement (at the beginning of the Conference still envisaged as a tripartite one) was clearly defined in Mr. Balfour's first despatch from Washington (No. 415) on November 11, and the satisfaction of His Majesty's Government at the successful issue of his negotiations was conveyed to Mr. Balfour in a special message from the Cabinet on December 12 (No. 492).

The Washington Conference is the most important of the subjects documented in the sixth and last chapter of this volume. The formal proceedings of the Conference and its main committees were published many years ago in *Conference on the Limitation of Armament* (Washington, 1922). The documents here printed are of a more intimate character. They include some of Mr. Balfour's reports on the progress of the Conference in general and of his negotiations with leading members of the United States and Japanese Delegations in particular (e.g. Nos. 429 and 449, and Nos. 451 and 465). They record some of His Majesty's Government's observations upon the proposals for the limitation of armaments put forward by the United States (e.g. Nos. 420 and 421). They include a notable exchange of telegrams between London and the British Delegation in Washington arising out of the statement made at Washington by the French Prime Minister regarding French land and air armaments and submarines. This statement caused His Majesty's Government grave anxiety: France was seen as possessing 'overwhelming superiority' and His Majesty's Government were unable to 'contemplate a situation where Great Britain would be in a few years at the mercy of France if present happy relations were to deteriorate' (No. 442). But Mr. Balfour, pointing out that the 'great danger we had to face when this conference assembled was post-Jutland naval programme of the United States', asked whether it was 'not folly in these circumstances to wrangle over exaggerations in Monsieur Briand's speech or to complain of an army whose size only affects us in so far as it renders restraint of disarmament [? rearmament] impossible? . . . It was never possible', he emphasized, 'for this conference to do more than promote two objects: settlement of Far East and diminution of naval armaments' (No. 448). The Far Eastern settlement has already been mentioned. The general line that the British Delegation proposed to take on naval questions was reported by Mr. Balfour on November 28 (No. 456) and the difficulties in the way of 'forwarding' the views of His Majesty's Government on the limitation of aerial armament were explained by him shortly afterwards (No. 466). Subsequently the course of the negotiations on naval disarmament, as reflected in the correspondence preserved in the Foreign Office, centred largely upon the scrapping of capital ships (e.g. Nos. 541–3 and 550) and upon the consequences of Japan's insistence on retaining the battleship *Mutsu* (e.g. Nos. 494 and 495). In his concluding despatch (of February 6, No. 585) Mr. Balfour was able to claim that 'in all

essentials the safeguards of our Naval position . . . have been fully secured. . . . The financial burdens of the great Naval Powers have been alleviated with no injury to national honour or diminution of security.'

In the compilation of this volume documents from the personal papers of Lord Curzon filed in the Foreign Office archives have, as hitherto, been printed wherever relevant (see Nos. 329, 384, 464, 517 and 548). Telegrams from Washington, Tokyo and Peking containing passages in which the text received was uncertain have been checked with the copies preserved in the archives of H.M. Embassies at Tokyo and Washington (F.O. 262 and 115 respectively), which are now available. As in previous volumes, passages queried in parenthesis on documents in the Foreign Office files and found to be similar to or identical with the wording in the copies in the archives of these Embassies have not, however, been annotated (see, e.g. No. 8).

The Embassy archives have also proved useful in other ways. The Tokyo archives have been utilized to establish the dates and times of despatch of telegrams from Tokyo. These telegrams were habitually sent *via* Peking and the dates entered on the copies filed in the main archives of the Foreign Office are evidently, in a number of instances, those of relay from Peking rather than of despatch from Tokyo (occasionally two dates are entered on the copy in the main file). Where the dates and times of despatch from Tokyo have been satisfactorily established they have been adopted in preference to those of despatch from Peking and have been printed in square brackets. The archives of H.M. Embassy in Washington have also been made use of in order to supply for a few telegrams (e.g. No. 326) the times of despatch which were missing on the copies filed in the Foreign Office. These times have similarly been indicated in square brackets. Most, however, of the numerous telegrams from Washington (and a few others, e.g. No. 173) here printed bear no time of despatch, since none was recorded on the telegram as received or despatched. In view of the numbers of such telegrams in this volume, the absence of times of despatch or, occasionally, of receipt has not been indicated by individual footnotes, as was the custom in previous volumes.

In this volume the practice adopted in Volume XIII¹ of printing from Confidential Print documents which exist only in such print or of which the only other copy is an approved draft has been continued. In the heading of all such documents the file number is followed by an asterisk (e.g. No. 10). As in Volume XIII, the times of despatch and receipt of telegrams not given in documents taken from Confidential Print have, where possible, been supplied from other available sources, but these additions are not individually footnoted.

As in the last three volumes in this Series, the titles of some of the main books to which reference is made in the footnotes have been abbreviated. A list of these abbreviations is printed on p. xiii.

This volume, like its predecessors, has been edited in accordance with the standing conditions of access to all papers in the Foreign Office archives and of freedom in the selection and arrangement of Foreign Office documents.

¹ See Vol. XIII, Preface, pp. vii-viii.

I have to express my gratitude to the Foreign Office and to my colleague, Mr. Rohan Butler, for according me the satisfaction of being able to complete the editing of this and the succeeding volume XV, both of which I had in hand when Dr. Douglas Dakin succeeded me as Joint Editor of *Documents on British Foreign Policy 1919-1939* with special responsibility for the First Series. I have also to thank the Librarian of the Foreign Office, Mr. R. W. Mason, C.M.G., and the Deputy Librarian, Mr. C. J. Child, O.B.E., and their staff for all the help they have rendered at various stages in the preparation of this volume. Last, but not least, I am most grateful for the invaluable assistance of various members of the editorial staff, notably Miss M. E. Lambert, M.A. (now one of the Joint Editors), Miss I. Bains, M.A., who among many other tasks has drafted the Chapter Summaries, Miss A. J. Fraser, B.A., and Miss C. J. Cairns, B.A.

J. P. T. BURY

August 1964

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LIST OF ABBREVIATIONS

- B.F.S.P.** *British and Foreign State Papers* (London).
- Cmd.** Command Paper (London).
- C.L.A.** *Conference on the Limitation of Armament, Washington, November 12, 1921–February 6, 1922* (Washington, 1922). (English and French texts.)
- Documents diplomatiques** Ministère des Affaires Étrangères: *Documents diplomatiques, Conférence de Washington, juillet 1921–février 1922* (Paris, 1923).
- D.V.P.S.S.S.R.** *Dokumenty vneshney politiki S.S.S.R.*, edited by I. N. Zemskov and others, vol. ii (Moscow, 1958); vol. iv (Moscow, 1960).
- F.R.U.S.** *Papers relating to the Foreign Relations of the United States* (Washington).
- Hertslet's China Treaties** *Treaties etc., between Great Britain and China and between China and Foreign Powers . . . in force on the 1st January, 1908*, 3rd edition, revised by G. E. P. Hertslet (London, 1908). 2 vols.
- H.C. Deb. 5 s** *Parliamentary Debates (Hansard), Official Report, 5th Series, House of Commons, London.*
- L/N.O.J.** *League of Nations Official Journal.*
- MacMurray** *Treaties and Agreements with and concerning China, 1894–1919*, edited by John V. A. MacMurray (New York, 1921). 2 vols.

CHAPTER SUMMARIES

CHAPTER I

General Correspondence, &c.

April 3–July 9, 1920

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
	1920		
1 To MR. ALSTON Tokyo Tel. No. 106	Apr. 3	H.M.G. accepts compromise suggested by Mr. Lamont (see Vol. VI, Nos. 792–3) relating to Japanese participation in suggested financial Consortium in China, provided French and U.S. Govts. agree: considers Japanese Govt. might have been satisfied with general assurance offered by H.M.G. (see Vol. VI, No. 782).	1
2 MR. LAMPSON Peking Tel. No. 188	Apr. 5	Comments on proposals for Consortium: favours H.M.G.'s scheme for general assurance rather than compromise specifying railways to be excluded: criticizes adversely the two Japanese proposals.	1
3 MR. LAMPSON Peking Tel. No. 190	Apr. 6	Outlines probable attitude of the four Chinese parties (Military, Premier's, Progressive, Industrial) towards proposed Consortium.	3
4 MR. LAMPSON Peking Tel. No. 192	Apr. 7	Reports M.F.A.'s declaration that invasion of Tibet from Kokonor not intended: urges despatch of officer by Govt. of India to Lhasa to give Tibet moral support and show H.M.G. in earnest. <i>Note 5.</i> Lord Curzon considers it useless to press Chinese Govt. to renew negotiations with Tibet: gives reasons.	4
5 MR. LAMPSON Peking Tel. No. 193	Apr. 7	Discusses extent of British interest in Allied Railway Committee at Vladivostok: considers Chinese Govt. determined to take full possession of Chinese Eastern Railway, but continued Japanese inactivity cannot be assumed.	5
6 MR. LAMPSON Peking Tel. No. 198	Apr. 8	Refers to No. 2: criticizes Mr. Lamont's compromise proposal and reports growing indications of Chinese opposition to Consortium.	6
7 MR. LAMPSON Peking Tel. No. 208A	Apr. 12	Transmits tel. No. 117 of Apr. 10 from Harbin reporting Japanese seizure of control of sections of Chinese Eastern Railway.	6
8 SIR C. ELIOT Tokyo Tel. No. 137	Apr. 15	Reports Minister of War's assurance that Japan has no intention of occupying Siberian territory permanently and his statement of conditions under which troops will be withdrawn.	7

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
9 MR. HODGSON Vladivostok Tel. No. 96	Apr. 16	Describes situation following occupation by Japanese troops of Siberian military centres from Habarovsk to Vladivostok: requests instructions whether to dissociate Great Britain from Japan's act. <i>Note 7.</i> Instructions to take no action until French and U.S. Govts. consulted.	7 8
10 To SIR C. ELIOT Tokyo Tel. No. 122	Apr. 16	Informes of receipt of Japanese memo. accepting general assurance (see No. 1) and comments on two proposals referred to in No. 2: U.S. Govt.'s views awaited before reply sent to Japanese Govt.	9
11 To EARL OF DERBY Paris Tel. No. 462	Apr. 16	Refers to No. 10: U.S. Govt. concur in H.M.G.'s view that Japan would give way if met by united front: instructions to seek agreement of French Govt. to despatch by each of three Govts. concerned of similar but separate reply.	10
12 MR. ALSTON Peking Tel. No. 218	Apr. 17	Reports French and U.S. colleagues and Mr. Lamont favour considering 3-Power Consortium, since no reply received from Japanese Govt.: rumour of such action should accelerate Japanese adherence: Chinese Govt.'s attitude not yet indicated to Mr. Lamont.	10
13 SIR A. GEDDES Washington Tel. No. 286	Apr. 21	Reports reaction of State Dept. to incident in No. 7 and explains why no immediate action likely: Mr. Lamont's scheme being considered favourably, i.e. financing of railway by Consortium and its operation under Chinese Govt. as trustees for Russians: doubts whether U.S. Govt. will retain representative on Inter-Allied Technical Board of Chinese Eastern Railway after evacuation of Czechoslovaks.	11
14 To MR. ALSTON Peking Tel. No. 149	Apr. 21	Refers to No. 12 and informs of interview with U.S. Counsellor on Apr. 20 concerning proposed replies to Japanese memo. (see No. 10).	12
15 MR. ALSTON Peking Tel. No. 222	Apr. 21	Reports interview with M.F.A. who gave assurance no aggressive action against Tibet intended, stated instructions given to frontier authorities to remain on defensive, and requested that Govt. of India be asked to restrain Tibetans from attacking Chinese.	13
16 SIR C. ELIOT Tokyo Tel. No. 142	Apr. 23	Reports official Japanese account of Hailar incident (see No. 7): gives reasons against concluding it was deliberately planned by Japanese.	13
17 MR. ALSTON Peking Tel. No. 225	Apr. 23	Reports Hailar incident officially attributed to Czechoslovaks, but thinks renewed activity of Japanese along Chinese Eastern Railway and in Trans-Baikalia supports theory of their having decided on strong measures on withdrawal of U.S. troops: believes international control of railway only sound solution.	14

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
18 MR. HODGSON Vladivostok Tel. No. 105	Apr. 28	Transmits copy of tel. sent to Chinese, French, U.S. and Czechoslovak Govts. informing of Inter-Allied Railway Committee's views on Russian and Japanese military activity in Trans-Baikalia and of action recommended.	15
19 MR. HODGSON Vladivostok Tel. No. 104	Apr. 28	Reports critical financial situation of Chinese Eastern Railway, attitude of Czechoslovakia towards payment of debts for transport account, Chinese Govt.'s monthly contribution to running of line.	16
20 EARL OF DERBY Paris Tel. No. 511	Apr. 28	Transmits French Govt.'s comments on incident reported in No. 7: unwilling to take initiative in those remote regions but ready to co-operate with H.M.G.: convinced amicable arrangement with Japanese Govt. possible.	17
21 SIR C. ELIOT Tokyo Tel. No. 151	Apr. 28	Refers to Nos. 9 and 17: considers Allies and Russians have little cause to complain of actions of Japanese who are trying to restore order: sees no reason to dissociate Great Britain from Japanese act: Japanese support of Semenov legitimate: no increase in Japanese forces in Siberia according to Military Attaché.	17
22 To SIR A. GEDDES Washington Tel. No. 401	Apr. 29	Refers to No. 13 and informs of conversation between U.S. Ambassador and Lord Hardinge on Apr. 28 relating to policy in regard to Chinese Eastern Railway.	18
23 To SIR A. GEDDES Washington Tel. No. 406	Apr. 29	Informs that, in view of No. 16, moment not considered opportune for action as regards Siberia.	19
24 SIR A. GEDDES Washington No. 599	Apr. 30	Refers to apparent decision by H.M.G. not to denounce Anglo-Japanese Alliance by July 13: indicates probable adverse effect on American public opinion and on prospects of League of Nations Covenant in presidential election: suggests possible palliative.	19
25 To MR. ALSTON Peking Tel. No. 172	May 4	Refers to Mr. Lamont's proposal in No. 13: H.M.G. considers Consortium unlikely to be able to finance Chinese Eastern Railway by May 15: requests comments on (i) suggestion that U.S. and Japanese Govts. be asked to carry preliminary advances with subsequent reversion to Consortium, (ii) reported critical financial situation of railway.	21
26 MR. ALSTON Peking Tel. No. 241	May 4	Reports projected petition by Associated British Chambers of Commerce to Lord Curzon concerning continuation of Anglo-Japanese Alliance: indicates main points.	21
27 SIR A. GEDDES Washington Tel. No. 321	May 6	Refers to No. 25: outlines tentative solution for Chinese Eastern Railway which U.S. Govt. desire H.M.G. to put to Japanese Govt.: probable U.S. reduction of commitments relating to railway.	22

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
28 SIR C. ELIOT Tokyo Tel. Unnumbered	Undated	Refers to No. 25: considers financial situation of Chinese Eastern Railway critical: suspects Japanese already financing line: no objection to proposal (i) in No. 25: reports M.F.A.'s statement on lack of progress in negotiations for creation of buffer state.	23
29 SIR C. ELIOT Tokyo Tel. No. 170	May 7	Reports M.F.A.'s statement on failure of Chinese Govt. to reply to notes about Shantung.	24
30 MR. ALSTON Peking Tel. No. 252	May 12	Refers to No. 25: transmits tel. No. 160 from Harbin particularizing serious financial situation of Chinese Eastern Railway, expressing belief in Japanese Govt.'s wish to take complete control, and doubting wisdom of suggested U.S.-Japanese joint advance.	24
31 SIR C. ELIOT Tokyo Tel. No. 177	May 12	Comments critically on U.S. Govt.'s proposal for Chinese Eastern Railway in No. 27: suggests Consortium should undertake control of line: discusses advantages and possible approach to Japanese Govt.	25
32 MR. ALSTON Peking Tel. No. 257	May 14	Refers to No. 29: reports (i) Premier's decision to leave reply to Japanese note to his successor, (ii) his own suggestion to Acting M.F.A. on advantages of formal acknowledgement, (iii) Chinese Govt.'s inability to take responsibility.	26
33 MR. ALSTON Peking Tel. No. 260	May 17	Transmits telegram from H.M. Consul, Harbin, criticizing adversely proposed U.S. solution for Chinese Eastern Railway in No. 27 and outlining own proposal: agrees with Consul's views and those in No. 31.	26
34 TO MR. ALSTON Peking Tel. No. 191	May 18	Refers to No. 3: instructions to consult U.S., French and Japanese colleagues as to advisability of starting negotiations in regard to Consortium with Chinese Govt.	28
35 MR. ALSTON Peking Tel. No. 267	May 21	Reports receipt of <i>aide-memoire</i> from Chinese Govt. stating that unless previously consulted they will be unable to recognize validity of any portion of a new Anglo-Japanese treaty in which China and her territories may be mentioned.	28
36 SIR C. ELIOT Tokyo Tel. No. 193	May 23	Reports conversation with M.F.A. on May 19 and private letter of May 22 indicating that Japanese Govt. favour renewal of Anglo-Japanese treaty: asks for instructions.	28
37 MR. ALSTON Peking Tel. No. 269	May 25	Outlines position with regard to Consortium negotiations as seen at Peking, but requests views of H.M.G. before consulting colleagues as instructed in No. 34.	29
38 TO SIR A. GEDDES Washington Tel. No. 474	May 27	Refers to No. 22 and informs of conversation with U.S. Counsellor on May 20 relating to Chinese Eastern Railway: out-	31

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		lines tentative scheme to be submitted to U.S. Govt.	
39 To SIR C. ELIOT Tokyo Tel. No. 180	May 29	Refers to No. 38: informs of U.S. Govt.'s attitude to proposed scheme: asks for opinion on likelihood of Japanese Govt.'s consent and for alternative suggestion.	31
40 MR. WELLESLEY Foreign Office	June 1	Memo. on Anglo-American co-operation in the Far East.	32
41 To SIR C. ELIOT Tokyo Tel. No. 185	June 3	Refers to No. 36: instructions to consult Japanese Govt. on procedure with regard to continuation of Anglo-Japanese treaty after July 1921: informs of legal advice that Anglo-Japanese treaty inconsistent with letter of Covenant of League of Nations: instructions to propose to Japanese Govt. joint communication to League: no decision concerning renewal can be taken before Imperial Conference in autumn.	36
42 To SIR A. GEDDES Washington No. 635	June 3	Refers to Nos. 24, 36, and 41: explains advantages of procedure in No. 41: asks for comments by telegram.	37
43 SIR A. GEDDES Washington Tel. No. 429	June 5	Refers to No. 41: urges need for public statement emphasizing Anglo-Japanese treaty is not to be renewed but merely not allowed to expire before Imperial Conference meeting.	38
44 SIR C. ELIOT Tokyo Tel. No. 216	June 5	Reports conversation with M.F.A. on renewal of Anglo-Japanese treaty: press almost unanimously in favour of renewal: asks for instructions.	38
45 SIR C. ELIOT Tokyo Tel. No. 218	June 8	Transmits text of note to League of Nations proposed in No. 46 below.	38
46 SIR C. ELIOT Tokyo Tel. No. 217	June 8	Reports M.F.A.'s approval of proposal in No. 41 and wording of note in No. 45 which has still to be submitted to Japanese cabinet.	39
47 SIR B. ALSTON Peking Tel. No. 287	June 10	Reports Chinese Govt.'s conditional consent to proposed grant to British and Chinese Corporation of agreement for railway construction: points out danger of conflict with Japanese Govt. owing to recognition of earlier Japanese claim.	39
48 To SIR C. ELIOT Tokyo Tel. No. 196	June 12	Refers to No. 39: he may sound Japanese Govt. immediately on scheme in No. 38, informing them of H.M.G.'s attitude towards rumoured Japanese intentions in connexion with Chinese Eastern Railway.	40
49 SIR C. ELIOT Tokyo Tel. No. 229	June 14	Reports (i) conversation, after receipt of No. 48, with M.F.A., who denied troop concentrations at Mukden and preparations for <i>coup</i> in Manchuria or on Chinese Eastern Railway and gave views on three points in No. 38, (ii) views of Baron	41

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		Hayashi, Ambassador designate to London, on proposal that Consortium should finance Chinese Eastern Railway.	
50 SIR A. GEDDES Washington Tel. No. 444	June 15	Reports U.S. Ambassador at Tokyo's views on probable Japanese opposition to proposed financing of Chinese Eastern Railway by Consortium: State Dept. strongly favour proposal. <i>Note 3.</i> As result of conference on June 19, U.S. Ambassador in London being instructed to ask H.M.G. to seek French Govt.'s co-operation in pressing Japanese Govt. to support proposal.	42
51 To SIR C. ELIOT Tokyo Tel. No. 202	June 16	No objection to No. 45: notes to be sent to League immediately in conjunction with Japanese Embassy.	42
52 SIR C. ELIOT Tokyo No. 296	June 17	Discusses pros and cons of continuation of Anglo-Japanese Alliance.	42
53 SIR B. ALSTON Peking Tel. No. 295	June 21	Reports conversation with Japanese Minister concerning possible Japanese withdrawal from Siberia, danger of Bolshevik propaganda in Korea, arming of Chinese bandits, and present situation in China.	48
54 SIR B. ALSTON Peking Tel. No. 296	June 21	Discusses proposed official notification to Chinese Govt. by Consortium Powers: suggests joint communication, enclosure of letters exchanged, and request for Chinese programme of reconstruction.	49
55 SIR C. ELIOT Tokyo Tel. No. 239	June 22	Reports Japanese Govt.'s agreement, with one amendment, to text of proposed note to League of Nations (Nos. 45 and 51), note to be communicated before end of month if possible.	50
56 SIR C. ELIOT Tokyo Tel. No. ? 240	June 22	Refers to Nos. 49 and 50: reports M.F.A. now unable to propose financing of Chinese Eastern Railway by Consortium, and gives reasons: Viscount Uchida's position precarious.	50
57 To FRENCH AMBASSADOR London	June 26	Refers to No. 20: outlines proposals for Chinese Eastern Railway submitted to U.S. and Japanese Govts. and their attitude towards them: suggests action by French Govt. to meet Czechoslovak debts to Chinese Eastern Railway: asks for comments on suggestions.	51
58 To SIR B. ALSTON Peking Tel. No. 219	June 30	Refers to No. 54: agrees to principle of joint note but criticizes other suggestions: authorizes Sir B. Alston to act to best of his judgment.	53
59 MR. CLIVE Peking No. 478	June 30	Refers to No. 26: considers enclosure a fair expression of enlightened Chinese opinion. <i>Encl.</i> Translation of an open letter to Sir B. Alston in Peking newspaper ('Wei I Jih Pao') of June 12 explaining why Chinese people desire end of Anglo-Japanese Alliance.	53 54

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
60 Mr. CLIVE Peking Unnumbered	July 3	Copy of note to Acting M.F.A. informing him that he still awaits H.M.G.'s reply to Chinese Govt.'s note of Feb. 23 relating to abolition of <i>likin</i> and increase of customs duty: explains position with reference to revision of tariff.	57
61 Mr. ASHTON-GWATKIN Foreign Office	July 7	Memo. on Japan and the Open Door: concludes that doctrine of Open Door never really recognized by Japan: unless Japan prepared to surrender entirely her exclusive privileges in Shantung and accept principle of railway nationalization, considers it would be farcical to repeat Open Door formula in renewal of Alliance agreement: suggests possibility of restoration to China of Weihaiwei and recognition of Japan's special position in S. Manchuria.	57
62 To Mr. CLIVE Peking Tel. No. 223	July 8	Instructions, if he agrees, to inform Ministry of Communications that H.M.G. consider Consortium should have priority with reference to scheme in No. 47: if Consortium unwilling, it should be reserved for British firm, except for Fukien-Nanchang section which was subject of 1914 assurances to Japan.	66
63 To Sir C. ELIOT Tokyo Tel. No. 238	July 9	Instructions to inform M.F.A. of H.M.G.'s dissatisfaction with lack of frankness of Japanese communications and need for improvement if Alliance to be renewed.	67
64 Sir C. ELIOT Tokyo Tel. No. 260	July 9	Reports conversation with Baron Hayashi, who (i) said he had urged Govt. to end military régime at Tsingtao and (ii) gave his views on Japanese troops at Chita and Harbin, on Shantung and Siberia questions, and on dangers in Australian attitude in mandated Pacific Islands.	67
65 To JAPANESE CHARGÉ D'AFFAIRES London	July 9	Informs that Anglo-Japanese communication of July 8 (see No. 45) despatched today for transmission to League of Nations.	68

CHAPTER II

General Correspondence, &c.

July 11–September 28, 1920

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
66 Mr. CLIVE Peking Tel. No. 322	July 11	Refers to struggle between northern military factions: note sent to Chinese Govt. by <i>Corps Diplomatique</i> : precautionary measures being taken.	69
67 Sir A. GEDDES Washington Tel. No. 519	July 11	Reports conversation in which Mr. Davis, Acting Secretary of State, proposed joint Anglo-U.S. demand for Japanese evacuation of N. Saghalien and Vladivostok areas.	70

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
68 MR. CLIVE Peking Tel. No. 323	July 13	Explains need for strict neutrality by foreigners during internal conflict (see No. 66): reports action taken to prevent British pilots and engineers being involved.	71
69 To MR. CLIVE Peking Tel. No. 227	July 14	Emphasizes importance of ensuring no British aircraft used for military purposes by Chinese authorities.	72
70 SIR C. ELIOT Tokyo Tel. No. 269	July 16	Reports conversation with M.F.A. on renewal of alliance, with particular reference to instructions in No. 63.	72
71 To MR. CLIVE Tientsin Tel. No. 3	July 17	Transmits telegram to Mr. Clive approving action in No. 68: suggests publicity be given to steps taken and appeal be made to colleagues to prevent any acts lending strength to charge of foreign interference.	73
72 MR. CLIVE Peking Tel. No. 328	July 22	Reports military situation and total collapse of Anfu party: discusses probable demands of successful Chihli party, effect on Japanese policy, and chances of reconciliation between north and south.	73
73 SIR A. GEDDES Washington Tel. No. 545	July 23	Refers to No. 67 and reports conversation in which Mr. Davis stated President now prepared to act alone: considers this movement mainly an electoral manoeuvre.	74
74 To SIR C. ELIOT Tokyo Tel. No. 259	July 25	Refers to No. 70: instructions to avoid discussing text of any possible new agreement since Dominions must be consulted: informs Imperial Conference will not meet this year.	74
75 SIR A. GEDDES Washington Tel. No. 553	July 27	Reports meeting at State Dept. on July 26 to discuss Chinese Eastern Railway: summarizes conclusions reached.	75
76 To MR. CLIVE Peking Tel. No. 237	July 30	Informs of U.S. suggestion for announcement on Aug. 1 by the four powers of the organization of Consortium and for its communication to Chinese Govt.: criticizes proposal: H.M.G. would prefer note to Chinese Govt. from Mr. Clive and delay in public announcement.	76
77 To SIR A. GEDDES Washington Tel. No. 644 To SIR C. ELIOT Tokyo Tel. No. 266	July 30	Informs of Lord Hardinge's conversation with Japanese Ambassador on July 23 expressing H.M.G.'s anxiety concerning occupation of Saghalien and their hope that Japanese would issue statement that occupation only temporary.	76
78 To SIR A. GEDDES Washington Tel. No. 646	July 30	Refers to U.S. Govt.'s note of July 16 to Japanese Govt. on Japanese action in Siberia: approves Sir A. Geddes' language in No. 67.	77
79 SIR B. ALSTON Foreign Office	Aug. 1	Memo. on his conversations in Washington on July 26-27 concerning in particular (i) the Chinese Eastern Railway, (ii) Anglo-American relations in the Far East and the need for co-operation which might include an agreement to maintain balance of naval power in the Pacific.	77

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
80 SIR B. ALSTON Foreign Office	Aug. 1	Memo. respecting an Anglo-Saxon policy for the Far East: supplements No. 79 and enlarges on need for Anglo-American co-operation to end Japanese menace.	81
81 SIR C. ELIOT Tokyo Tel. No. 288	Aug. 3	Refers to No. 74 and reports his reply when M.F.A. proposed discussing details of new agreement.	86
82 MR. CLIVE Peking Tel. No. 339	Aug. 3	Refers to No. 76: explains position with regard to joint note to Chinese Govt. which should be ready at an early date. <i>Note 5.</i> F.O.'s approval on Aug. 12 of draft note in Peking tel. No. 340 of Aug. 3.	87
83 MR. CLIVE Peking No. 547	Aug. 3	Refers to recent firing on British river steamers on Upper Yangtze: reports his reply of July 14 to Senior British Naval Officer, Yangtze, explaining futility of protesting to Central Govt.	88
84 To SIR A. GEDDES Washington Tel. No. 651	Aug. 4	Refers to No. 76: informs of conversation with Secretary of U.S. Embassy on notification to Chinese Govt. about Consortium: Embassy appears ignorant of suggested joint note (see No. 58): instructions to urge U.S. Govt. to suspend action until all are agreed.	89
85 To MR. CLIVE Peking Tel. No. 244	Aug. 5	Informs of U.S. Govt.'s enquiry whether H.M.G. wish to join in protest to Chinese and Japanese Govts. against presence of Semenov's troops in Chinese Eastern Railway zone: asks for comments. <i>Note 1.</i> Mr. Clive and Sir C. Eliot agreed that representations would serve no useful purpose.	89
86 GENERAL STAFF War Office	Aug. 5	Memo. on present political and military situation in China: indicates limitations on British military action in event of anti-foreign outbreak.	90
87 MR. CLIVE Peking Tel. No. 353	Aug. 10	Refers to Gen. Beckett's recent reports on Chinese Eastern Railway: summarizes Chinese Govt.'s declaration of July 5 on non-recognition of any railway loan not first approved by them.	92
88 MR. CLIVE Peking Tel. No. 356	Aug. 12	Reports arrival of Chihli leaders and formation of provisional cabinet: describes uncertain situation: British, French and U.S. subjects warned not to harbour Anfu refugees, some given sanctuary by Japanese Legation.	92
89 MR. CLIVE Peking Tel. No. 362	Aug. 16	Criticizes proposal in No. 75 for international control of Chinese Eastern Railway: states own views.	93
90 To SIR A. GEDDES Washington Tel. No. 684	Aug. 16	Informs of suggestion being made to U.S. Govt. in order to avoid further delay in approval of joint note to Chinese Govt. (see No. 82).	94
91 MR. CLIVE Peking Tel. No. 365	Aug. 17	Outlines course of negotiations by Mr. Weatherbe of British American Mining Co. for 3 coal areas in Russian Saghalien:	95

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		states that he continues to give tacit support.	
92 LORD HARDINGE Foreign Office	Aug. 18	Record of conversation with Japanese Ambassador who handed in copy of his Govt.'s reply to U.S. Govt.'s note of July 16 (see No. 78) and expressed appreciation of H.M.G.'s refusal to join U.S. representations on Japanese action in Saghalien.	95
93 JAPANESE AMBASSADOR London	Aug. 18	Memo. in reply to H.M.G.'s memo. of Dec. 13, 1919, relating to Japan's administration of Tsingtao and position in Shantung (see Vol. VI, No. 620): denies charges of discrimination and insincerity in carrying out policy. <i>Note 2.</i> F.O. memo. of July 20 giving further examples of apparently unsatisfactory administration in Tsingtao.	96
		<i>Note 9.</i> Comments by Mr. Fox of the Dept. of Overseas Trade: considers no good purpose served by continuing discussion: advocates advising Japanese Govt. to hand back Tsingtao and Shantung railway to China as suggested by British firms in Mar. 1920 (see Vol. VI, No. 775).	102
94 To MR. CLIVE Peking Tel. No. 273	Aug. 21	Informs of latest U.S. Govt.'s suggestion relating to joint note to Chinese Govt. (see Nos. 76 and 82): suggests preliminary statement on lines already proposed to avoid delay: asks for comments.	103
95 MR. CLIVE Peking Tel. No. 375	Aug. 26	Transmits message from new M.F.A.: asks for authorization to return friendly message in general terms. <i>Note 3.</i> Permission given in tel. No. 288 of Sept. 13.	104
96 MR. CLIVE Peking Tel. No. 379	Aug. 27	Refers to No. 91 and Japanese advance on Saghalien: reports Mr. Weatherbe's fears of obstruction of coal development: asks for views of H.M.G. on three possible courses.	105
97 MR. WELLESLEY Foreign Office	Sept. 1	Memo. respecting Anglo-Japanese Alliance: Part II examines four courses possible after expiry of Alliance in July 1921. <i>Note 1.</i> Mr. Wellesley's suggestion for formation of Committee to consider (i) renewal or otherwise of Anglo-Japanese Alliance, (ii) H.M.G.'s future policy in Far East.	106
		<i>Note 10.</i> Comments on memo. by Sir J. Jordan and Sir C. Greene (H.M. Ambassador at Tokyo 1912-19).	111
98 To JAPANESE AMBASSADOR London	Sept. 3	Draft of memo. to be handed to Japanese Ambassador (on Sept. 14) protesting against arrest and detention in Korea of Mr. G. L. Shaw, a British subject resident in China: explains legal position and requests Mr. Shaw's unconditional release.	114

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
99 To MR. CLIVE Peking No. 489	Sept. 3	H.M.G. disposed to support negotiations of Eastern Pioneer Co. with Szechuan authorities for oil and potash mining rights provided any agreement submitted to Chinese Govt. for approval. <i>Note 3. F.O. memo. of Apr. 27, 1921, declines Company's suggestion that H.M.G. should participate and suggests invitation to Chinese business men.</i>	115 116
100 SIR C. ELIOT Tokyo Tel. No. 333	Sept. 4	Tel. from Military Attaché informing of document (dated Feb. 20, 1920, and signed by orders of Soviet Russian Commissar at Nikolsk Ussurii) seen by Assistant Military Attaché: summarizes contents which related to establishment of Bolshevik agencies in Far East and instructions for agents.	116
101 MR. CLIVE Peking Tel. No. 384	Sept. 6	Considers no reduction in British garrison in N. China could be made without risk within next 5 years.	117
102 To MR. CLIVE Peking Tel. No. 286	Sept. 7	Refers to No. 96: informs of terms in which Japanese note to U.S. Govt. (see No. 92) justifies occupation of N. Saghalien: advises on course to follow.	118
103 MR. CLIVE Peking Tel. No. 391	Sept. 10	Reports conversation with Russian Minister who had been warned that Chinese Govt. would shortly cease to recognize Russian Legation and Consulate: delegates from Verkne Udinsk Govt. in touch with Chinese officials: suggests Russian concessions in China may be suppressed.	118
104 SIR A. GEDDES Washington Tel. No. 637	Sept. 14	Transmits Secretary of State's suggestion for identic note to Japan asking for statement of adherence to policy of Allied control of Chinese Eastern Railway until Russia able to undertake control.	119
105 To SIR A. GEDDES Washington Tel. No. 744	Sept. 15	Tel. from Chancellor of Exchequer relating to use of Russian gold recovered from Germans for Chinese Eastern Railway, in connexion with negotiations in U.S. for payment of Anglo-French loan.	119
106 To MR. CLIVE Peking Tel. No. 290	Sept. 15	Informs of British and Chinese Corporation's readiness to negotiate agreement for survey and construction of Nanchang-Chaochowfu railway with extension to Amoy and Foochow: explains position with regard to Consortium.	120
107 To MR. CLIVE Peking Tel. No. 298	Sept. 18	H.M.G.'s attitude towards Chinese refusal to pay Russian share of Boxer indemnity remains the same as in 1918.	120
108 MR. CLIVE Peking Tel. No. 400	Sept. 20	Refers to No. 103: reports activities of M. Yourin and Russian mission from Verkne Udinsk now in Peking and consequent anxiety of Japanese Govt.	121
109 To SIR J. JORDAN	Sept. 21	Letter of appreciation and thanks from Lord Curzon (Sir J. Jordan had retired on Aug. 14).	121

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
110 To MR. CLIVE Peking Tel. No. 302	Sept. 22	Instructions to take steps privately in matter of reported presence of Chinese in Soviet Russian armies. <i>Note 2.</i> Chinese Minister in London has been asked to bring reports to serious attention of his Govt.	122
111 SIR C. ELIOT Tokyo Tel. No. 365	Sept. 24	Refers to No. 104: reports conversation with M.F.A. who denied any change contemplated in <i>status quo</i> of Chinese Eastern Railway, and doubted if Govt. would accept Soviet Russian envoy.	122
112 MR. CLIVE Peking Tel. No. 413	Sept. 24	Reports committee formed by British residents in Peking to co-operate with Chinese in relieving famine in N. China: suggests action by China Association.	123
113 To SIR C. ELIOT Tokyo Tel. No. 311	Sept. 24	Instructions to continue pressing for unconditional release of Mr. Shaw (see No. 98).	123
114 MR. CLIVE Peking Tel. No. 415	Sept. 24	Refers to Presidential mandate of Sept. 23 refusing recognition to Russian Minister and Consuls and reports views of other Governments: also reports views of M.F.A. on position of M. Yourin and Russian concessions: asks for discretion to advise Chinese Govt. against dislocating present municipal administration.	124
115 To MR. CLIVE Peking Tel. No. 305	Sept. 25	Refers to No. 103 and French Ambassador's note of Sept. 17 suggesting Anglo-French co-operation in keeping Russian Legation and concessions in safe custody for a future Russian Govt.: asks for comments on proposed reply: instructions to give private and friendly warning to Chinese Govt. on possible propagandist character of Bolshevik proposals.	125
116 MR. CLIVE Peking Tel. No. 416	Sept. 25	Transmits substance of telegram from H.M. Consul, Harbin: early Japanese seizure of Chinese Eastern Railway no longer greatly feared but long-term policy to secure railway unchanged: Japanese troops on line not required for protection since Chinese and Russians adequate for purpose.	126
117 MR. CLIVE Peking No. 663	Sept. 27	Explains reasons for sending Mr. Teichman, Secretary in H.M. Legation, to Urga: submits his report: comments on value of British consular representation in Outer Mongolia. <i>Encl.</i> Mr. Teichman's report of Aug. 28: situation following collapse of Anhui militarists and N.W. Frontier Defence Army: immediate Mongol rising considered unlikely: conversations with Mongolian Princes and advice to them to negotiate directly with Chinese Govt.: comparison between China's relations with Tibet and with Mongolia since 1909 and possible future developments: position	126 128

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		of Russians in Mongolia: trade prospects: U.S. Govt.'s decision to appoint Consul for Mongolia: arguments for and against British consular representation.	
		<i>Note 23.</i> Sir B. Alston's view in despatch No. 611 of Oct. 21, 1921, that stationing of consular officer at Urga inadvisable at present.	143
118 Mr. CLIVE Peking Tel. No. 420	Sept. 28	Reports despatch to Chinese Govt. of joint note relating to Consortium: explains position concerning publication of note and enclosed documents.	143

CHAPTER III

General Correspondence, &c.

September 30, 1920–May 10, 1921

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
119 SIR C. ELIOT Tokyo Tel. No. 369	Sept. 30	Reports action taken to secure release of Mr. Shaw (see No. 113): M.F.A. awaiting return of messengers sent to Seoul to negotiate settlement.	145
120 To SIR A. GEDDES Washington Tel. No. 766	Sept. 30	Refers to No. 104: in view of Nos. 111 and 116 H.M.G. consider joint note to Japanese Govt. unnecessary.	145
121 MR. PATON Vladivostok Tel. No. 100	Oct. 1	Informs of Inter-Allied Committee's belief that French Govt. had assumed responsibility for certain countries' debts to Chinese Eastern Railway: in view of French representative's inability to obtain instructions for payment, Committee requests H.M.G.'s aid in obtaining French Govt.'s acknowledgement of debts.	146
122 SIR C. ELIOT Tokyo No. 458	Oct. 1	Transmits memo. by Mr. Crowe, Commercial Counsellor to H.M. Embassy, relating to certain Japanese imports of potential military importance: no indication of active warlike preparations.	146
123 MR. CLIVE Peking Tel. No. 424	Oct. 2	Reports conversation with M.F.A. on receipt of No. 115: emphasized need for Chinese Govt. to act as trustee in Russian concessions: gave warning against Bolshevik propaganda: H.M. Consul instructed to report fully on Chinese actions at Harbin but not to join in protests.	147
124 MR. CLIVE Peking Tel. No. 425	Oct. 4	Informs of Chinese Govt.'s request to levy surtax on customs duties for famine relief: asks authority to consent, subject to concurrence of other Treaty powers.	148
125 MR. CLIVE Peking Tel. No. 426	Oct. 4	Refers to No. 106: explains reasons for preferring reply to Chinese offer (see No. 47) on lines of No. 62: whole Nanchang-Chaochowfu railway should be reserved for Consortium.	149

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		<i>Note 3. Lord Curzon's agreement: British and Chinese Corporation have instructed representatives accordingly.</i>	
126 SIR A. GEDDES Washington Tel. No. 678	Oct. 5	Reports conversation with Assistant Secretary of State who explained U.S. attitude towards China's abrogation of Russian consular rights, asked what action H.M.G. intended and suggested joint pressure on China to appoint Russian assessors when cases involving Russian interests being heard.	150 •
127 MR. CLIVE Peking Tel. No. 427	Oct. 7	Refers to No. 108: reports agreement between Ministry of Communications and Russo-Asiatic Bank relating to Chinese Eastern Railway: M. Yourin opposed.	150
128 MR. CLIVE Peking Tel. No. 429	Oct. 9	Informs of Changtsoin's requisition of aviation material from Central Govt. as booty from recent campaign: has warned M.F.A. of serious effect on Anglo-Chinese relations and requested guarantee of return of machines by Oct. 16: suggests Messrs. Vickers be warned provisionally to stop further shipments.	151
129 SIR C. ELIOT Tokyo Tel. No. ? 384	Oct. 11	Message from Naval Attaché: informed by Japanese Admiralty of decision 'practically' taken not to place orders for capital ships abroad in near future: gives reasons.	152
130 To MR. CLIVE Peking Tel. No. 317	Oct. 11	H.M.G. have no objection to action proposed by U.S. Govt. in No. 126 but request observations.	153
131 To MR. CLIVE Peking Tel. No. 318	Oct. 12	Refers to No. 128: suggests H.M. Consul-General explains to Changtsoin serious consequences of his seizure of aeroplanes.	153
132 SIR C. ELIOT Tokyo Tel. No. ? 388	Oct. 13	Military Attaché transmits message from War Office about anti-Japanese disturbances in N. Korea and measures proposed: troops to be withdrawn when operations completed: informed by Vice-M.F.A. that Japanese Ambassador instructed to make communication to Lord Curzon.	153
133 JAPANESE AMBASSADOR London	Undated	Substance of tel. from Japanese M.F.A. informing of Chinese Govt.'s consent on Oct. 10 to despatch of Japanese troops to Chientao (see No. 132) and Sino-Japanese military co-operation in area. <i>Note 2. Japanese Ambassador's communications of Oct. 13 relating to situation in Hunchun and Chientao.</i>	154
134 MR. CLIVE Peking Tel. No. 436	Oct. 15	Refers to No. 108: reports conversation with M.F.A. who was hesitant towards M. Yourin, enquired about H.M.G.'s policy towards Soviet Russia, and agreed to warn Kashgar authorities of need for caution in dealing with Bolshevik mission.	155
135 MR. CLIVE Peking Tel. No. 434	Oct. 15	Refers to No. 123: transmits substance of <i>Corps Diplomatique's</i> note of Oct. 11 to Chinese Govt. about effects of termination	155

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		of official relations with Russian Legation: asks for H.M.G.'s approval.	
136 To MR. CLIVE Peking Tel. No. 327	Oct. 16	Requests telegraphic report on situation in Hunchun and Chientao (see Nos. 132 and 133) and informs of Japanese Ambassador's communications (No. 133, n. 2).	156
137 MR. CLIVE Peking Tel. No. 437	Oct. 16	Refers to No. 102: informs of Military Govt. in Saghalien's regulations against transfer of mining properties: reports (i) state of negotiations concerning private properties (ii) desire of <i>de facto</i> Russian Govt. at Vladivostok to resume negotiations for cession of Govt. areas: suggests attitude to be taken by H.M.G.	157
138 To MR. CLIVE Peking Tel. No. 333	Oct. 19	Refers to No. 128: suspension of deliveries by Messrs. Vickers legally indefensible: suggests instead withholding oil at Tientsin: considers further action should be taken if representations to Chinese Govt. fruitless.	158
139 To SIR C. ELIOT Tokyo Tel. No. 331	Oct. 21	Informs of Committee set up to consider renewal of Anglo-Japanese Alliance and future policy in Far East (see No. 97, n. 1): requests report on economic conditions in Japan.	158
140 To JAPANESE AMBASSADOR London	Oct. 21	Expresses satisfaction at Japanese Govt.'s decision to withdraw troops from Chientao at end of emergency.	159
141 To MR. CLIVE Peking Tel. No. 338	Oct. 22	Refers to No. 137: Chinese Engineering and Mining Co. have been informed of H.M.G.'s attitude.	160
142 MR. CLIVE Peking Tel. No. 448	Oct. 22	Refers to No. 136: reports conversation with M.F.A. concerning troubles in Chientao: believes these due to Chinese negligence: Central Govt. powerless.	160
143 SIR C. ELIOT Tokyo Tel. No. 397	Oct. 22	Transmits substance of lengthy Japanese note on Mr. Shaw's case (see No. 119): suggests Lord Curzon should speak again to Japanese Ambassador.	161
144 To MR. CLIVE Peking Tel. No. 340	Oct. 23	Requests report on Japanese methods to circumvent 'open door' policy.	162
145 SIR C. ELIOT Tokyo Tel. No. 398	Oct. 23	Transmits text of tel. to Seoul concerning Mr. Shaw's reported intention not to return to Antung.	163
146 SIR C. ELIOT Tokyo Tel. No. 399	Oct. 25	Transmits substance of C.-in-C. Saghalien's regulations for mining industry (cf. No. 137): enquires whether protest needed in interests of Mr. Weatherbe. <i>Note 3.</i> Instructions to protest in terms indicated.	163
147 To MR. CLIVE Peking Tel. No. 343	Oct. 26	Refers to No. 124: H.M.G. concur in Chinese surtax proposals on 4 conditions: enquires whether surcharge to be levied on salt tax and postal fees.	164

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
148	TO FRENCH AMBASSADOR London	Oct. 28	Refers to No. 57 and earlier correspondence concerning Allied indebtedness to Chinese Eastern Railway (cf. No. 121); urges French co-operation in liquidating indebtedness and keeping railway running.	164
149	TO SIR C. ELIOT Tokyo Tel. No. 340	Nov. 1	H.M.G.'s views on Mr. Shaw's case: demand for bail must be dropped: instructions to emphasize need for immediate settlement.	166
150	MR. CLIVE Peking Tel. No. 466	Nov. 1	Refers to No. 147: Japanese Govt. have agreed to surtax proposal: gives further details. <i>Note 2.</i> Chinese Govt. informed on Nov. 18 of H.M.G.'s agreement to proposal: surtax to come into force Mar. 1.	166
151	TO MR. CLIVE Peking No. 608	Nov. 1	Advises against official protest about anti-British articles in local Japanese papers: gives reasons.	167
152	MR. HUBBARD Peking Tel. No. 468	Nov. 2	Reports situation in Canton: Kwangsi militarists retiring: doubts Southern party's acquiescence in Presidential mandate announcing reunification of country and parliamentary election.	167
153	SIR C. ELIOT Tokyo Tel. No. 419	Nov. 4	Reports conversation with M.F.A. on difficulties of Mr. Shaw's case: M.F.A. promises to try and find solution.	168
154	TO MR. CLIVE Peking Tel. No. 356	Nov. 4	Informs of Chinese Telegraph Administration's proposals concerning extension of Eastern Extension Co.'s cable monopoly and loan to Chinese Govt.: asks for comments.	169
155	SIR C. ELIOT Tokyo Tel. No. 418	Nov. 5	Refers to No. 139: summarizes economic conditions.	170
156	SIR C. ELIOT Tokyo Tel. No. 420	Nov. 5	Informs of further conversation with M.F.A. on Mr. Shaw's case: M.F.A. considers latter at liberty to leave Japanese territory honourably: no immediate refund of bail possible.	171
157	TO SIR C. ELIOT Tokyo Tel. No. 349	Nov. 10	Refers to No. 156: informs of conversation with Japanese Ambassador on Nov. 8 urging need for early solution of Mr. Shaw's case by return of bail.	172
158	MR. CLIVE Peking Tel. No. 475	Nov. 11	Reports (i) Canadian missionaries' accounts of ruthless Japanese treatment of Koreans in Chientao, (ii) Japanese conditions for withdrawal of troops and M.F.A.'s reaction: sends his own views on urgency of settlement.	173
159	TO SIR C. ELIOT Tokyo Tel. No. 352	Nov. 14	Informs of H.M.G.'s decision on despatch of mission to train Japanese naval aviators: Ambassador informed insufficient trained officers available, civil aviation mission could probably be sent if desired.	174
160	TO MR. CLIVE Peking Tel. No. 367	Nov. 14	Transmits substance of chief resolutions agreed at Consortium conference, New York: instructs to co-operate with U.S.	174

XXX

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		Minister in drafting note to Chinese Govt. informing of arrangements made and asking their consent: draft to be sent to H.M.G. to enable identic action by four Govts. concerned: H.M.G.'s approval of resolutions with one proviso.	
161 SIR C. ELIOT Tokyo Tel. No. 427	Nov. 15	Refers to No. 146, n. 3: informs of protest made and M.F.A.'s reply.	176
162 SIR A. GEDDES Washington Tel. No. 769	Nov. 15	Discusses various opinions in U.S. on question of renewal of Anglo-Japanese alliance: gives own views.	177
163 To MR. CLIVE Peking Tel. No. 371	Nov. 16	Explains H.M.G.'s reluctance to join in protest to Italian Govt. about Italian war material at Shanhaikuan and in request for formal renewal of assurances concerning embargo on import of arms to China.	178
164 To MR. CLIVE Peking Tel. No. 379	Nov. 19	Informs of decision not to publicize Consortium in view of adverse public opinion in China: U.S., Japanese, and French Govts. have been urged to act likewise.	179
165 To SIR C. ELIOT Tokyo Tel. No. 356	Nov. 23	Informs of further note sent to Japanese Ambassador urging settlement of Mr. Shaw's case.	179
166 SIR C. ELIOT Tokyo Tel. No. 439	Nov. 24	Refers to No. 158: has drawn M.F.A.'s attention to rumours concerning mission property: M.F.A.'s assurance that instructions to prevent incidents in Chientao have been sent.	180
167 To MR. CLIVE Peking Tel. No. 388	Nov. 24	Transmits copy of tel. sent to British Empire Delegation, League of Nations Assembly, instructing on attitude to take when China raises question of Shantung. <i>Note 3.</i> Extract from Lord Curzon's memo. of Nov. 26 outlining China's probable line of argument and suggesting British attitude.	180 181
168 MR. CLIVE Peking Tel. No. 497	Nov. 24	Reports position with regard to Changtsolin's return of aeroplanes (cf. No. 131): discusses two possible courses (i) admit failure of first attempt to establish commercial aviation, (ii) make fresh start: advocates (ii). <i>Note 3.</i> H.M.G.'s approval of latter suggestion and consequent release of funds.	182 183
169 MR. CLIVE Peking Tel. No. 498	Nov. 24	Transmits substance of U.S. tel. of Sept. 17 permitting U.S. nationals to supply commercial aeroplanes to China: considers this an additional argument against course (i) in No. 168.	183
170 MR. CLIVE Peking Tel. No. 499	Nov. 24	Refers to No. 163: explains drafting of joint protest to Italian Govt.: reports expected arrival from New York of machinery for Canton arsenal: convinced reaffirmation by interested Powers of	184

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		adherence to embargo desirable: Vickers' aeroplane incident not an infringement of arms embargo agreement.	
171 Mr. CLIVE Peking Tel. No. 502	Nov. 24	Refers to No. 160: transmits draft note on formation of Consortium: suggests later communication of resolutions. <i>Note 4.</i> H.M.G. approving draft note, but suggest adding reference to a further communication.	185
172 BRIG.-GEN. WILSON British Empire Delegation Geneva Tel. No. 25	Nov. 26	Tel. from Mr. Balfour, leader of British Empire Delegation: reports that Shantung question not yet raised: refers to F.O. instructions (see No. 167) and asks for clarification and further information.	185
173 SIR C. ELIOT Tokyo Tel. No. 446	Nov. 26	Supports Mr. Paton's views of Communist danger to British subjects and property at Vladivostok and advocates despatch of man-of-war.	186
174 To MR. CLIVE Peking Tel. No. 399	Nov. 27	Reports Reuter announcement of Chinese Govt.'s decision to cancel Sino-Japanese military agreement: asks for confirmation. <i>Note 2.</i> Notes being exchanged Jan. 29, 1921, recording cancellation of Sino-Japanese naval and military agreements of 1918 and 1919: question of withdrawal of Japanese troops from Chinese Eastern Railway being reserved.	187
175 SIR A. GEDDES Washington No. 1385	Dec. 3	Refers to No. 162: discusses value of Anglo-Japanese alliance, strength of anti-British minority in U.S., and need to secure U.S. co-operation afresh after each Presidential election.	187
176 SIR C. ELIOT Tokyo Tel. No. 458	Dec. 7	Naval Attaché reports that Japanese fleet's sea-going strength being reduced by half so that all available skilled labour may be employed on new ship-building programme.	189
177 MR. CLIVE Peking Tel. No. 521	Dec. 8	Refers to No. 154: examines desirability of extending present cable monopoly: states that Japanese aim at predominance in land cable and wireless interests in China: suggests measures to ensure continued British position.	190
178 FOREIGN OFFICE	Dec. 8	Memo. referring to No. 172 and No. 167, n. 3: further statement of Lord Curzon's views on attitude to be adopted on Shantung issue.	192
179 To SIR C. ELIOT Tokyo Tel. No. 370	Dec. 10	Refers to No. 173: warship to be sent at end of month.	193
180 To SIR C. ELIOT Tokyo Tel. No. 373	Dec. 11	Transmits text of formula relating to Mr. Shaw's case sent to Japanese Chargé d'Affaires. <i>Note 2.</i> Revised formula sent by Lord Curzon on Dec. 22.	193 194

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
181	SIR C. ELIOT Tokyo Tel. No. 462	Dec. 12	Gives own views on No. 97: favours renewal of Anglo-Japanese Alliance subject to certain modifications.	194
182	TO SIR B. ALSTON Peking Tel. No. 423	Dec. 14	Informs of reported Bolshevik propaganda in Peking.	196
183	SIR B. ALSTON Peking Tel. No. 531	Dec. 14	Refers to Japanese note alleging violation of arms embargo by Great Britain, Italy and U.S.: outlines incidents concerned and refutes charges: has spoken to Japanese Minister and Military Attaché warning them of possible effect of Japanese tactics on renewal of Anglo-Japanese alliance.	196
184	SIR B. ALSTON Peking Tel. No. 532	Dec. 14	Refers to No. 183 and reports agent of Handley Page Ltd. has signed (Dec. 9) agreement to sell 105 flying boats, &c. to Chinese Govt. for commercial aviation service: considers this agreement (negotiated without reference to H.M. Legation) disastrous at present juncture: seeks permission to refuse official recognition.	198
185	SIR A. GEDDES Washington Tel. No. 849	Dec. 22	Reports conversation with Mr. Stevens and U.S. Ambassador at Tokyo on international control of Chinese Eastern Railway: considers former favours such control but latter wishes privileged position for U.S.	199
186	SIR B. ALSTON Peking Tel. No. 546	Dec. 27	Refers to No. 184: has refused to accept agreement pending instructions: reports further details of its negotiation: repeats request for permission to repudiate it.	199
187	SIR B. ALSTON Peking Tel. No. 547	Dec. 27	Considers newspaper report of threatened trouble on Sino-Tibetan border exaggerated: reports conversation with Chinese President concerning rupture of Tibetan negotiations and his own intention to ask for written assurances against Chinese attacks should negotiations not be resumed.	200
188	TO SIR C. ELIOT Tokyo No. 461	Dec. 29	Informs of rejection of amendment suggested by Japanese Ambassador to formula on Mr. Shaw's case in No. 180, n. 2.	201
1921				
189	TO SIR B. ALSTON Peking Tel. No. 1	Jan. 1	Mr. Handley Page has been informed of H.M.G.'s reasons for refusing to register transaction (cf. No. 184): essential that contract should not go elsewhere, therefore suggests position be explained to U.S. and other colleagues.	202
190	TO SIR C. ELIOT Tokyo Tel. No. 2	Jan. 3	Instructions to express satisfaction if Japanese Govt. have dropped proposal for relaxing arms embargo: H.M.G. determined to maintain embargo: suggests attitude to take in conversation with M.F.A. on the Vickers' contract.	202

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
191 SIR A. GEDDES Washington Tel. No. 6	Jan. 4	Reports action taken on learning that H.M.G. would support settlement of Chinese Eastern Railway problem on lines indicated in No. 185.	203
192 To SIR C. ELIOT Tokyo Tel. No. 7	Jan. 6	Instructions to address (in sense of No. 190) strong note to Japanese Govt. on attitude to arms embargo in view of information that Japanese Ambassador at Rome has made merely verbal protest to Italian Govt.	204
193 SIR B. ALSTON Peking Tel. No. 7	Jan. 6	Transmits H.M. Consul-General at Mukden's comments on Japanese charges against British missionaries of encouraging anti-Japanese movement amongst Koreans and assisting Korean agitators: charges denied, but missionaries' sympathies with Koreans.	204
194 SIR C. ELIOT Tokyo Tel. No. 8	Jan. 9	Reports conversation with M.F.A. in sense of No. 190: asks instructions for reply to queries on Handley Page agreement (see No. 184): proposal for relaxing arms embargo being considered by Cabinet: M.F.A.'s view that decisive action necessary in China: need for Anglo-Japanese co-operation emphasized by Chief of Staff to retiring H.M. Military Attaché.	205
195 SIR B. ALSTON Peking Tel. No. 11	Jan. 10	Refers to No. 144: summarizes H.M. Consuls' replies and particularizes main examples of Japanese denial of equal opportunity to British commercial interests.	206
196 To SIR B. ALSTON Peking Tel. No. 14	Jan. 10	Refers to No. 189: informs of Handley Page's claims for redress if agreement not accepted, and H.M.G.'s proposed reply: asks for comments urgently, and instructs to explain H.M.G.'s attitude fully to Consortium colleagues.	208
197 SIR B. ALSTON Peking Tel. No. 13	Jan. 11	Reports conversation with Mr. Stevens, representative of U.S. group in the Consortium, who denied claiming leadership for his group: groups to work together.	209
198 SIR C. ELIOT Tokyo Tel. No. 13	Jan. 11	Summarizes replies of H.M. Acting Consul at Dairen and H.M. Consul-General at Seoul to request in No. 144 for report on alleged Japanese illegitimate methods.	209
199 To SIR B. ALSTON Peking No. 21	Jan. 11	Japanese Ambassador has been reminded that reply still awaited to F.O. memo. of July 20, 1920, respecting Japanese administration of Tsingtao: gives reasons for discontinuing this correspondence with Japanese Govt. after receipt of this reply.	210
200 To SIR B. ALSTON Peking No. 33	Jan. 11	Refers to No. 60: concurs with Board of Trade proposals that H.M.G. should consent to increase of Chinese import duties provided (i) all forms of internal taxation abolished and (ii) new tariff operates from Jan. 1922: instructions to inform diplomatic colleagues and ascertain their attitude.	211

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
201 SIR B. ALSTON Peking Tel. No. 17	Jan. 13	Refers to No. 196: gives further details on negotiation of aeroplane contracts: considers complete repudiation of Handley Page contract the only possible course: colleagues informed of H.M.G.'s attitude.	212
202 To SIR C. ELIOT Tokyo Tel. No. 13	Jan. 14	Refers to Nos. 192 and 194: comments on instructions already given: instructions to emphasize to M.F.A. that any departure from embargo policy by Japan will aggravate evil effects on China.	213
203 To SIR B. ALSTON Peking Tel. No. 23	Jan. 14	Refers to Nos. 189 and 196: informs of representations to U.S. Embassy on grave consequences which would follow diversion of Handley Page contract to U.S. firm.	213
204 SIR C. ELIOT Tokyo Tel. No. 21	Jan. 16	Reports on action taken on Nos. 190 and 192: has told M.F.A. that H.M.G. unlikely to consent to suggested compromises concerning arms deliveries.	214
205 SIR B. ALSTON Peking Tel. No. 20	Jan. 16	Refers to No. 177: reports action taken on learning that U.S.-Chinese agreement for erection of high-power wireless stations in China was about to be concluded: urges transfer to Peking of Eastern Extension Telegraph Co.'s negotiations.	215
206 SIR B. ALSTON Peking Tel. No. 22	Jan. 16	Comments on threat of section of Southern Govt. to seize maritime custom-house on Feb. 1: suggests measures to resist contemplated assault on foreign interests. <i>Note 5.</i> Lord Curzon approved suggested measures, Jan. 20.	215 216
207 JAPANESE AMBASSADOR London No. 6	Jan. 17	Note communicating Japanese Govt.'s acceptance of revised formula in Mr. Shaw's case (No. 180, <i>n.</i> 2) subject to formula being kept confidential and return of bail not being disclosed: reminds H.M.G. of possible results of Mr. Shaw's return to Japanese territory and of desirability that no public statement be made whereby Japanese Govt. could be criticized for trespassing on powers of judiciary.	216
208 SIR B. ALSTON Peking Tel. No. 23	Jan. 18	Identical note being sent to Chinese Govt., Jan. 19, announcing communication by banks' representatives to Ministries of Finance and Communications of text of Consortium Agreement, signed Oct. 15, 1920: decision as to communication of resolutions to be left to banks. <i>Note 4.</i> F.O. approval of Sir B. Alston's action.	218
209 MR. CRAIGIE Washington Tel. No. 34	Jan. 19	Reports discussions with Acting Secretary of State and Chief of Far Eastern Dept. on proposed U.S. aeroplane contract (No. 203): transmits State Dept.'s reply: urges fuller discussion and asks for further information.	218

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
210	SIR C. ELIOT Tokyo Tel. No. 23	Jan. 19	Describes position with regard to release of Mr. Shaw.	220
211	SIR B. ALSTON Peking Tel. No. 28	Jan. 20	Reports M.F.A. unable to intervene as regards Chinese serving Soviet Russian Govt. (cf. No. 110) and denies knowledge of Bolshevik recruiting in China but claims it exists on N. Manchurian frontier. <i>Note 3.</i> Correspondence between the Vatican and H.M.G. relating to Chinese serving in Soviet Russian army.	220 221
212	ANGLO-JAPANESE ALLIANCE COMMITTEE	Jan. 21	Report of Departmental Committee (cf. No. 97, <i>n.</i> 1) favours dropping of Anglo-Japanese Alliance and substitution of a Tripartite <i>entente</i> including the U.S.; if U.S. unable to enter tripartite arrangement suggests a revised Anglo-Japanese agreement.	221
213	To SIR B. ALSTON Peking Tel. No. 37	Jan. 24	Informs of H.M.G.'s decisions on (i) disposal by British merchants of their stocks at Vladivostok to Far Eastern Republic, (ii) trading relations with that Govt.	227
214	SIR B. ALSTON Peking Tel. No. 33	Jan. 24	Refers to No. 185: British representative on Technical Board (Gen. Beckett) reports critical financial situation of Chinese Eastern Railway: urgency of relief has been emphasized to Mr. Stevens. Allied debts estimated at \$6 million: no financial assistance has materialized from agreement in No. 127.	228
215	SIR B. ALSTON Peking No. 37	Jan. 24	Describes situation in S. China following end of independent Military Govt. of the South at Canton and issue of mandates by President of the Republic proclaiming reunification and summoning a new parliament: reunification is dead letter so far as concerns certain provinces while continued famine and internecine warfare must make elections a farce: China's black prospects due to military and financial anarchy.	228
216	SIR B. ALSTON Peking Tel. No. 34	Jan. 25	Refers to No. 206, <i>n.</i> 5: reports action taken to prevent interference with existing customs administration.	230
217	SIR C. ELIOT Tokyo Tel. No. 36	Jan. 27	Refers to No. 202: reports explanation of Handley Page contract given to M.F.A.: no assurance yet received on dropping of proposal for relaxing embargo.	231
218	To MR. CRAIGIE Washington Tel. No. 42	Jan. 28	Refers to No. 209 and explains (i) warning given to Counsellor of U.S. Embassy, (ii) commercial nature of Vickers' contract: instructs on representations to U.S. Govt.	231
219	To SIR B. ALSTON Peking Tel. No. 47	Jan. 28	Informs that Mr. Eugene Chen who called on Jan. 27 claiming to be unofficial representative of S. China Govt. was told H.M.G. could have no direct dealings with that Govt. and warned of serious consequences of any interference with Customs administration.	232

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
220 To SIR B. ALSTON Peking Tel. No. 49	Jan. 28	Refers to No. 205: gives further details on U.S. contract: instructions to make strong protests to Chinese Govt. and enquire whether overtures in No. 154 officially disclaimed.	233
221 To MR. CRAIGIE Washington No. 136	Jan. 28	Summarizes situation relating to arms embargo: refers to discussions between Mr. Butler Wright and Mr. Wellesley, and instructs Mr. Craigie to reinforce representations by U.S. Ambassador concerning need to retain embargo.	234
222 To SIR C. ELIOT Tokyo Tel. No. 28	Jan. 29	Refers to Nos. 204 and 183: informs of latest representations to U.S. Govt. concerning arms embargo: instructs to correct Japanese Govt.'s impression of part played by British aeroplanes in fighting of previous summer.	237
223 To JAPANESE AMBASSADOR London	Jan. 29	Comments on No. 207: H.M.G. unable to give definite undertaking on non-disclosure of payment of 1,500 yen or on publicity concerning interference with Japanese judiciary: hopes for early settlement in view of reassembling of Parliament.	238
224 MR. CRAIGIE Washington Tel. No. 52	Jan. 31	Refers to No. 218: reports further conversations and U.S. view that Handley Page contract does not violate Consortium agreement: summarizes U.S. arguments: instructions will be sent to U.S. Legation, Peking, not to support attempts to secure contract for American firms at present: suggests desirability of agreed interpretation on contracts to be handled through Consortium.	240
225 MR. ASHTON-GWATKIN Foreign Office	Jan. 31	Memo. containing suggestions towards a scheme for education of Chinese along British lines.	241
226 To SIR B. ALSTON Peking Tel. No. 51.	Feb. 1	Instructions not to make any claim on customs surplus.	244
227 SIR B. ALSTON Peking Tel. No. 53	Feb. 1	Refers to No. 202 and outlines proposals for securing effective embargo on <i>all</i> munitions of war to China. Refers to No. 218: U.S. Legation knows of no firm contemplating taking over Handley Page contract.	245
228 SIR B. ALSTON Peking Tel. No. 55	Feb. 2	Refers to No. 226: Canton authorities have announced postponement of any action in regard to customs.	247
229 SIR B. ALSTON Peking Tel. No. 62	Feb. 3	Transmits Harbin tel. reporting request for British help and sympathy for proposed rising under Ataman Semenov to free all Siberia and expressing doubt about prospects of such a movement.	247
230 SIR C. ELIOT Tokyo No. 42	Feb. 3	Refers to No. 202 and explains despatch to Japanese Govt. of two notes of Jan. 10 and 28 respecting China arms embargo. Refers	248

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		to No. 222: memo. based on No. 183 given to M.F.A. on Dec. 17.	
231 SIR C. ELIOT Tokyo Tel. No. 54	Feb. 6	Transmits substance of Japanese reply to note of Jan. 10 (see No. 230): Govt. sees no present prospect of union between N. and S. China, fears rumours of British and U.S. contracts may lead to independent action by Japanese merchants: thinks question whether aeroplanes should be classed as arms or not needs reconsideration.	249
232 To SIR B. ALSTON Peking Tel. No. 67	Feb. 14	Instructions to make clear that H.M.G. regard whole move (see No. 229) with utmost disfavour.	250
233 To SIR C. ELIOT Tokyo No. 100	Feb. 14	Refers to complaints of Japanese brutalities in Chientao (cf. No. 158): instructions to impress on M.F.A. unfortunate effect of such reports in Great Britain and Dominions.	250
234 To SIR A. GEDDES Washington No. 253	Feb. 16	Informs of conversation about Yap island with U.S. Ambassador who enquired as to British attitude to future discussion at Washington and was told that, while anxious not to be involved in dispute, H.M.G. would probably use efforts to secure settlement by conciliation.	251
235 To SIR C. ELIOT Tokyo No. 106	Feb. 16	Informs of firm line taken with Japanese Ambassador in conversation and danger of repudiating agreement reached on Mr. Shaw's case (see Nos. 207 and 223): settlement desirable before Crown Prince of Japan's visit.	252
236 MR. PATON Vladivostok Tel. No. 24	Feb. 19	Describes different interpretations by members of Inter-Allied Railway Committee of two points in original declaration of Mar. 1919 and resulting serious consequences: urges answers be given or declaration be revised.	254
237 To SIR A. GEDDES Washington Tel. No. 93	Feb. 23	Refers to No. 191: instructions on arguments to use in discussions on Chinese Eastern Railway: H.M.G. unable to take initiative: U.S. proposals would be welcomed.	255
238 To MR. PATON Vladivostok Tel. No. 19	Feb. 25	Informs of H.M.G.'s attitude towards future of Inter-Allied Railway Committee and Allied Technical Committee at Harbin: instructions to try and persuade U.S. representative against precipitate action.	256
239 To SIR B. ALSTON Peking Tel. No. 84	Feb. 25	Refers to No. 238: explains H.M.G.'s position with regard to the two Committees.	256
240 SIR A. GEDDES Washington Tel. No. 113	Feb. 26	Refers to No. 221: U.S. Govt. convinced of importance of continuing arms embargo and legislation will be introduced accordingly: suggests procedure to gain U.S. support of H.M. Ambassador's representations in Tokyo.	257

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
241 To SIR B. ALSTON Peking Tel. No. 87	Feb. 28	Requests comments on possible extension of Mr. Bell's stay in Lhasa: asks whether written Chinese assurance not to attack Tibet has been secured, and about prospects of resuming Sino-Tibetan negotiations.	257
242 SIR B. ALSTON Peking Tel. No. 105	Mar. 3	Inform of reply given to M. Agareff who requested unofficial discussion with him about possible relations between Great Britain and Far Eastern Republic: no useful purpose would be served by meeting.	258
243 SIR B. ALSTON Peking Tel. No. 114	Mar. 5	Refers to No. 241: considers extension of Mr. Bell's visit advisable: explains delay in approaching Chinese Govt. on Tibetan affairs: he will now take action but thinks request for written assurance should be made only in last resort.	258
244 To SIR A. GEDDES Washington Tel. No. 130	Mar. 6	Refers to No. 240: expresses relief at hearing U.S. views on embargo: instructs to inform State Dept. of No. 231 and other correspondence and suggests further procedure: cancellation of Vickers' contract not possible for technical reasons.	259
245 To SIR B. ALSTON Peking Tel. No. 99	Mar. 9	Refers to No. 227: explains why proposals cannot be adopted: asks for confirmation of Chinese Minister's statement that Vickers suspended shipments in summer 1920 on Chinese Govt.'s instructions. <i>Note 4.</i> Sir B. Alston's tel. No. 125 of Mar. 14 explaining suspension of shipments.	260
246 SIR B. ALSTON Peking Tel. No. 116	Mar. 10	Refers to No. 243: reports conversation on Tibetan question with M.F.A. who repeated old arguments for delaying permanent settlement but said he would consider renewing assurances given in No. 15: M.F.A. also repeated request for Chinese Govt. to be consulted about renewal of Anglo-Japanese Alliance.	261
247 MR. PATON Vladivostok Tel. No. 35	Mar. 10	Refers to No. 238: discusses difficulties in way of abolishing Inter-Allied Railway Committee: gives reasons for considering retention of British member advisable: definite opinion on Chita Govt. not yet possible.	261
248 SIR B. ALSTON Peking Tel. No. 118	Mar. 10	Refers to Japanese opposition to U.S. proposal to abolish Inter-Allied Railway Committee at Vladivostok: transmits tel. from Gen. Beckett recommending no change until new arrangement completed: agrees with Sir C. Eliot on need for caution: expresses hope that Gen. Beckett will be retained.	262
249 To SIR B. ALSTON Peking Tel. No. 106	Mar. 17	H.M.G.'s attitude towards Chinese treatment of Russians (Nos. 123 and 126 refer): instructions on advice to give Govt.	263

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	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
250	To H.M. REPRESENTATIVES Central and South America Unnumbered	Mar. 18	Circular letter asking for regular reports on Japanese relations with each country, especially any indication of a policy of <i>rapprochement</i> .	263
251	MR. PATON Vladivostok Tel. No. 39	Mar. 19	Reports Russian member's protest at ineffectiveness of Inter-Allied Railway Committee <i>vis-à-vis</i> Japanese military authorities: suggests (i) management of Ussuri railway by joint Russo-Japanese committee, (ii) Chinese Eastern Railway be left under Allied Technical Board, (iii) abolition of Inter-Allied Committee.	264
252	COL. ETHERTON Kashgar Tel. No. 43	Mar. 23	Résumé of situation in Chinese Turkestan.	264
253	SIR B. ALSTON Peking Tel. No. 132	Mar. 26	Refers to Nos. 243 and 246: reports conversation relating to possible resumption of Sino-Tibetan negotiations with M.F.A. who said Frontier Commissioner was being consulted about written assurances, alleged Tibetan frontier had been attacked and said Chinese Govt. could not recognize any agreement with Tibet negotiated by Mr. Bell: considers Chinese defeat in Mongolia may influence Govt. against resumption of negotiations.	265
254	SIR A. GEDDES Washington Tel. No. 177	Mar. 31	Refers to No. 239 and U.S. proposals for new agreement on control of Chinese Eastern Railway: asks for instructions.	266
255	To SIR L. CARNEGIE Lisbon Tel. No. 25	Apr. 1	Instructions to counteract report of British opposition to Portuguese construction of harbour at Macao and responsibility for anti-Portuguese movement in China.	267
256	SIR L. CARNEGIE Lisbon Tel. No. 29	Apr. 2	Refers to No. 255: reports surprise and annoyance of Portuguese Govt. at mendacious report: <i>démenti</i> to be published: official expression of thanks for assistance during dispute with China being sent to H.M.G.	267
257	To SIR B. ALSTON Peking Tel. No. 137	Apr. 5	Refers to No. 254: requests his and Gen. Beckett's comments on U.S. proposals for Chinese Eastern Railway: suggests need for careful preparation of Chinese and Soviet Russian Govts. for scheme.	268
258	To MR. PATON Vladivostok Tel. No. 36	Apr. 5	Refers to No. 251: instructs not to commit H.M.G. to abolition of Inter-Allied Committee in view of No. 248 and warns on need for discretion in discussions with Japanese colleague.	268
259	To U.S. CHARGÉ D'AFFAIRES London	Apr. 5	Note from Lord Curzon expressing satisfaction at U.S. Govt.'s decision to maintain policy of embargo on arms for China.	269
260	SIR B. ALSTON Peking Tel. No. 150	Apr. 7	Summarizes declaration handed in by M. Yourin informing of Soviet Russia's recognition on May 14, 1920, of independent	269

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		sovereign Far Eastern Republic of Siberia and outlining latter's policy: note not acknowledged: further note transmitted to Chinese Govt. by M. Yourin on Republic's readiness to reconsider all Russo-Chinese treaties.	
261 Mr. LAMPSON Foreign Office	Apr. 8	Memo. summarizing correspondence (Feb. 15-Apr. 1) between H.M.G. and Canadian Govt. relating to the Anglo-Japanese Alliance: comments on Canadian Govt.'s proposals for immediate termination of Alliance and calling together of Conference of Pacific Powers: suggests issue of Departmental Committee's report (see No. 212) to Dominions. <i>Note 13.</i> Paraphrase of tel. of Apr. 26 to Gov.-Gen. of Canada: Japanese Govt. have been informed no decision can be reached on Alliance until after June meeting of Imperial Cabinet: prolongation of present agreement for 3 months being suggested to Japanese Govt.: independent approach to U.S. Govt. by Canadian Govt. not desirable at this stage.	271 276
262 SIR B. ALSTON Peking Tel. No. 156	Apr. 10	Reports election at Canton on Apr. 7 of Sun Yat Sen as President of Republic: Canton controls only Kwangtung province.	276
263 SIR B. ALSTON Peking Tel. No. 163	Apr. 12	Refers to Nos. 257 and 260: comments on need to obtain Japanese Govt.'s consent to international control of Chinese Eastern Railway: considers Americans should take lead in sounding Chinese Govt.	277
264 SIR B. ALSTON Peking Tel. No. 164	Apr. 14	Refers to No. 253: informs of Tibetan frontier disturbances and attitude taken: gives reasons for urging retention of Mr. Bell at Lhasa until future policy decided.	277
265 To JAPANESE AMBASSADOR London	Apr. 14	Note from Lord Curzon accepting settlement of Mr. Shaw's case on terms agreed by Japanese Govt.: H.M. Ambassador at Tokyo to be authorized to accept 1,500 yen, the equivalent of bail deposited by Mr. Shaw. <i>Encl.</i> Formula of settlement accepted.	278 279
266 To SIR B. ALSTON Peking Tel. No. 157	Apr. 19	Refers to No. 260: H.M.G. not prepared to take initiative: requests his views on effect on Chinese Govt. of more normal relations with Far Eastern Republic.	279
267 To SIR B. ALSTON Peking No. 393	Apr. 19	Encloses copy (not printed) of Mr. Campbell's memo. of Mar. 3 on question of restoration of Weihaiwei: asks for comments. <i>Note 2.</i> Sir B. Alston's reply of July 1 agrees there is no reason to raise question at present time: desirable to await Japanese departure from Tsingtao and Shantung.	280
268 JAPANESE AMBASSADOR London	Apr. 25	Note enclosing Japanese Govt.'s reply (not printed) to H.M.G.'s note of July 20, 1920 (see No. 93, n. 2) and suggesting British	280

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		merchants in China be authorized to approach local Japanese authorities immediately any cause for complaint arises in order to avoid further misunderstandings.	
269 SIR B. ALSTON Peking Tel. No. 183	Apr. 27	Reports Gen. Beckett's general agreement with U.S. proposal for Chinese Eastern Railway (see No. 254): gives own views on likely attitude of Japanese, Chinese, and French Govts.	281
270 MR. PATON Vladivostok Tel. No. 55	Apr. 28	Refers to No. 266: considers decided opinion on Govt. of Far Eastern Republic must await investigation of conditions in Trans-Baikal and Amur provinces: discusses two main problems of Chita Govt.—(i) presence of Japanese troops, (ii) serious financial and economic situation.	281
271 MR. PATON Vladivostok Tel. No. 56	Apr. 29	Note dated Apr. 18 received from Constituent Assembly at Chita (i) protesting against Japanese activities, (ii) asking H.M.G. to reply to four questions relating to intervention in Far East. <i>Note 2.</i> Instructions in F.O. despatch No. 25 of June 8 to make no reply.	283
272 SIR C. ELIOT Tokyo Tel. No. 156	Apr. 29	Refers to No. 266: indicates attitude of Govt. towards Far Eastern Republic: considers Ministry of Foreign Affairs anxious for no change in status of Chita Govt. or management of railway: desires to await report of U.S. mission to Chita before submitting further views.	283
273 SIR C. ELIOT Tokyo Tel. No. 157	Apr. 29	Refers to No. 269: considers Japanese acceptance of U.S. proposal unlikely: reports Govt.'s present attitude towards railway committees and financial support of Chinese Eastern Railway.	284
274 SIR B. ALSTON Peking Tel. No. 187	Apr. 30	Refers to No. 266: gives own views on instability of present Govt. of Far East Republic	285
275 SIR C. ELIOT Tokyo No. 216	May 3	Gives substance of further report from H.M. Consul at Dairen (cf. No. 198): no concrete instances of Japanese use of illegitimate methods to circumvent policy of equal opportunity in Manchuria: suggests reason for their success in competition with foreigners.	285
276 To SIR A. GEDDES Washington Tel. No. 273	May 10	Refers to Nos. 269 and 273: H.M.G.'s views on U.S. proposal for Chinese Eastern Railway and next steps necessary: would welcome introduction of scheme but doubts whether it could be brought into force at present.	286

CHAPTER IV

Correspondence, &c., concerning the suggested temporary prolongation of the Anglo-Japanese Alliance and other topics

May 11-July 2, 1921

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
277 To SIR C. ELIOT Tokyo No. 267	May 11	Informs of conversation with Japanese Ambassador relating to (i) three-months' prolongation of Anglo-Japanese Alliance pending discussion with Dominion Ministers, (ii) advisability of U.S.-Japanese compromise respecting Yap island.	287
278 SIR C. ELIOT Tokyo Tel. No. 169	May 12	Refers to conference of important Japanese officials to be held on May 15: withdrawal of troops from Siberia likely to be discussed: possible Japanese agreement with Chita Govt. and activities of Ataman Semenov.	289
279 To SIR C. ELIOT Tokyo Tel. No. 104	May 13	Informs (i) of request to Japanese Ambassador to obtain his Govt.'s consent to prolongation of Anglo-Japanese Alliance (see No. 277), (ii) of proviso needed to ensure consistency with League of Nations procedure.	289
280 SIR B. ALSTON Peking Tel. No. 201	May 17	Reports receipt of further note from Chinese Govt. requesting prior consultation if Anglo-Japanese Alliance extended and any reference made to China (cf. No. 35).	290
281 SIR B. ALSTON Peking Tel. No. 204	May 20	Reports conversation about Tibet with M.F.A. who reiterated that any immediate Sino-Tibetan settlement was impossible: if decision taken to act on his own proposals (see n. 8) suggests Chinese Minister in London be approached first.	290
282 SIR C. ELIOT Tokyo Tel. No. 179	May 20	Refers to No. 278: reports Japanese M.F.A.'s account of the conference and the questions discussed.	292
283 SIR C. ELIOT Tokyo Tel. No. 180	May 20	Refers to No. 279: reports M.F.A.'s assurance of Govt.'s agreement to prolongation of Alliance and request for explanation of proviso: outlines explanation given.	292
284 SIR C. ELIOT Tokyo Tel. No. 187	May 23	Reports information received from Vice-M.F.A. relating to (i) Japanese position in Shantung, (ii) police supervision of Korean border, (iii) withdrawal of troops from Vladivostok, (iv) Japanese territorial interest in Yap and willingness to negotiate about cables.	293
285 SIR C. ELIOT Tokyo No. 251	May 24	Refers to No. 233: informed by M.F.A. of removal of last Japanese soldiers from Chientao and of instructions to officials to cultivate more friendly relations with missionaries.	294

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
286	SIR B. ALSTON Peking Tel. No. 211	May 25	Refers to No. 266: reports M.F.A.'s favourable impression of draft agreement between China and Far East Republic: considers Chinese Govt. would welcome more normal relations between H.M.G. and Far East Republic.	294
287	To SIR C. ELIOT Tokyo No. 298	May 26	Informs of conversation with Japanese Ambassador relating to (i) Crown Prince of Japan's visit to England, (ii) Japanese Govt.'s intended proposal to U.S. Govt. concerning management of telegraphs in Yap, (iii) suggested prolongation without modification of Anglo-Japanese Alliance.	295
288	SIR C. ELIOT Tokyo Tel. No. 191	May 27	Reports conversation with M.F.A. who (i) stated proposal in No. 279 would be submitted to diplomatic council on May 28, (ii) considered formal extension of Alliance the correct procedure, (iii) desired to know modifications necessary to secure that renewal of Alliance would not offend U.S. Govt.	296
289	SIR A. GEDDES Washington Tel. No. 364	May 27	Reports information received by Secretary of State of Japanese intention to seize E. Siberia and take possession of Chinese Eastern Railway, movement to begin May 29: Mr. Hughes anxious that H.M.G. should dissuade Japanese Govt. but without quoting him as source of information: discusses probable U.S. reactions.	297
290	SIR B. ALSTON Peking Tel. No. 217	May 28	Reports possibility of crisis resulting from rival attitudes towards Chinese Eastern Railway of Chinese and Americans: Gen. Beckett instructed not to play leading part in conflict.	298
291	SIR C. ELIOT Tokyo Tel. No. 198	May 31	Refers to No. 288: reports Japanese Govt.'s (i) view that Anglo-Japanese Alliance will not lapse on July 13 unless previously renewed, (ii) desire for lengthening of period within which it can be modified so as to be acceptable to League, (iii) attitude towards proviso in No. 279.	298
292	SIR B. ALSTON Peking Tel. No. 222	June 3	Reports growing opposition to renewal of Anglo-Japanese Alliance and hostile attitude of U.S. Legation and American-controlled press.	299
293	To SIR B. ALSTON Peking Tel. No. 183	June 6	Refers to No. 290: approves instructions to Gen. Beckett: gives H.M.G.'s views on Chinese use of railway funds for political purposes and danger of conflict assisting Japanese plans.	300
294	SIR A. GEDDES Washington Tel. No. 388	June 6	Refers to anti-British propaganda in U.S. and increasing U.S. suspicion of Anglo-Japanese Alliance: recommends negotiation of Tripartite Agreement (Great Britain, Japan, and U.S.) for four years (refers to No. 162).	300

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
295	To SIR C. ELIOT Tokyo Tel. No. 118	June 7	Refers to Nos. 291 and 283: explains procedure necessary for termination and prolongation of Alliance and comments on period of prolongation.	301
296	SIR C. ELIOT Tokyo Tel. No. 214	June 8	Reports conversation with M.F.A. on question of loans to Chinese Eastern Railway: readiness of Japanese Govt. to divide a loan with U.S.	302
297	To JAPANESE AMBASSADOR London	June 8	Refers to No. 287 (iii): explains technical position concerning proviso: proposes exchange of notes effecting prolongation of Alliance and containing proviso: confirms H.M.G.'s view that joint communication of July 8, 1920 (see No. 291) constitutes notice to terminate on July 13, 1921.	302
298	SIR C. ELIOT Tokyo Tel. No. 216	June 9	Reports that own views and those of Japanese Govt. on renewal of Alliance substantially unchanged: discusses supposed conciliatory recommendations of conference of Japanese officials and entrenchment of Japanese interests in N. Saghalien.	303
299	To M. KRASSIN Soviet Russian Trade Delegation	June 9	F.O. note declining to enter into correspondence on baseless charges relating to recent <i>coup d'état</i> at Vladivostok.	304
300	SIR C. ELIOT Tokyo Tel. No. 225	June 11	Text of suggested joint Anglo-Japanese declaration referred to in No. 301.	305
301	SIR C. ELIOT Tokyo Tel. No. 224	June 11	Refers to No. 295: explains why M.F.A. averse to exchange of notes effecting prolongation of Alliance: reports own arguments against suggested joint declaration to League of Nations (see No. 300).	305
302	SIR C. ELIOT Tokyo Tel. No. 226	June 11	Explains and comments on Japanese view on prolongation of Alliance.	306
303	To SIR B. ALSTON Peking Tel. No. 197	June 16	Informs of conversation concerning Anglo-Japanese Alliance with Chinese Minister on June 13: Minister promised immediate denial of fictitious interview with Lord Curzon on this subject published in Chinese papers: Lord Curzon explained Imperial Cabinet's responsibility for deciding future of Alliance but assured that Chinese Govt.'s views would be given full consideration.	306
304	To SIR B. ALSTON Peking Tel. No. 198	June 17	Refers to No. 303 and informs of Chinese Minister's enquiry whether H.M.G. would approve Chinese appeal to League of Nations on Shantung question: Lord Curzon saw no <i>prima facie</i> objection, but promised reasoned views later: Minister's assurance that Tsingtao would be made a free port.	307
305	SIR B. ALSTON Peking Tel. No. 242	June 21	Reports mutinous outbreaks by unpaid Govt. soldiery at Ichang and Wuchang: increasing chaos due to military rule: suggests warning by Powers concerned of	308

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		possible need for foreign intervention to protect life and property: colleagues being consulted.	
306 SIR B. ALSTON Peking Tel. No. 244	June 24	Refers to No. 305: informs of agreement on joint representation to M.F.A. on June 29 for establishment of foreign settlement area at Ichang and extension of neutral zone at Hankow and other treaty ports.	309
307 SIR A. GEDDES Washington Tel. No. 435	June 24	Reports increasing U.S. interest in question of renewal of Anglo-Japanese Alliance, due to reports of Imperial Conference proceedings: explains strong feelings against any special Anglo-Japanese co-operation.	310
308 SIR A. GEDDES Washington Tel. No. 436	June 24	Refers to No. 294 and reports conversation on Anglo-Japanese Alliance with Secretary of State who said Senate would not ratify similar U.S. agreement with Japan but favoured suggestion of tripartite declaration of policy. Explains reasons for American anti-Japanese feeling.	311
309 To SIR B. ALSTON Peking Tel. No. 203	June 27	Refers to No. 303 and informs of Chinese Secretary of Legation's apology for forged telegram which has now been contradicted: expresses annoyance with Mr. Lenox Simpson's proceedings.	312
310 To JAPANESE AMBASSADOR London	June 27	Note from Lord Curzon explaining legal position relating to prolongation of Alliance and suggesting joint note to League of Nations informing of its extension until Oct. 1921.	313
		<i>Encl.</i> Text of draft note.	314
311 To SIR B. ALSTON Peking Tel. No. 204	June 28	Refers to No. 309: instructions to ask M.F.A. for explanation of Mr. Simpson's status and activities: refers to his press articles and letters: suggests disavowal or severance of his connexion with Chinese Govt.	314
312 SIR B. ALSTON Peking Tel. No. 249	June 28	Reports (i) colleagues' attitude towards tariff proposals in No. 200, (ii) Chinese Govt.'s desire for tariff revision: suggests terms of reply.	315
		<i>Note 6.</i> Lord Curzon's approval of proposed reply and general attitude.	316
313 To SIR A. GEDDES Washington Tel. No. 382	June 29	Informs of conversation with U.S. Ambassador relating to Anglo-Japanese Alliance and H.M.G.'s desire to know feelings of U.S. Govt. towards possible renewal: Mr. Harvey assured Lord Curzon of gap between press clamour and Govt. views; decision reached would be respectfully examined by U.S. Govt. who were unlikely to object to any proposal for wider discussion on Pacific problems.	316
314 To SIR B. ALSTON Peking Tel. No. 205	June 29	Refers to Nos. 305 and 306: requests further information: is reluctant to sanction any step leading to general international	318

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		intervention but indicates possible naval protective action at treaty ports: joint action with U.S. essential.	
315 SIR C. ELIOT Tokyo Tel. No. 245	June 29	Reports conversation about Chinese Eastern Railway with M.F.A. who again suggested possible four-Power loan and spoke of importance to Japan of keeping open Port Arthur-Vladivostok section.	319
316 SIR A. GEDDES Washington Tel. No. 449	June 30	Reports U.S. Govt.'s thanks for information in No. 296 and readiness to join in arranging loan to Chinese Eastern Railway.	319
317 SIR A. GEDDES Washington Tel. No. 453	July 2	Refers to Nos. 308 and 313: corrects impression given by Mr. Harvey as to Govt.'s attitude towards renewal of Alliance and existence of gap between views of press and present Administration.	320
318 SIR B. ALSTON Peking Tel. No. 253	July 2	Reports British Chamber of Commerce, Shanghai, fears boycott if Anglo-Japanese Alliance renewed: gives own views: still receiving Chinese protests against renewal.	321
319 SIR B. ALSTON Peking Tel. No. 256	July 2	Refers to No. 306: proposed action approved by Japanese and French but not by U.S. Govt.: explains why representation not yet made: suggests intervention by H.M. Ambassador, Washington, to secure U.S. co-operation: failing this urges action without U.S.	321
320 To JAPANESE AMBASSADOR London	July 2	Refers to No. 310: informs of H.M.G.'s willingness to accept Japanese Govt.'s interpretation of joint note of July 8, 1920, to League of Nations. <i>Encl.</i> Revised draft of suggested note to League of Nations.	322

CHAPTER V

Correspondence, &c., relating to the proposals for a Pacific Conference and to other matters July 4–November 7, 1921

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
321 MR. ASHTON-GWATKIN Foreign Office	July 4	Memo. respecting the acquisition by Great Britain of Dutch islands opposite Singapore: brief historical survey: suggestions on ways in which transfer might take place.	323
322 SIR B. ALSTON Peking Tel. No. 260	July 5	Refers to No. 319: reports <i>Corps Diplomatique's</i> decision to make representation proposed in No. 306: acknowledges No. 314 and explains that warning suggested in No. 305 might be unnecessary if U.S. colleague joins in representation.	325

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
323	SIR A. GEDDES Washington Tel. No. 460	July 6	Refers to Nos. 313 and 317: reports conversation with Mr. Hughes who (i) said that Mr. Harvey had not been informed of U.S. Govt.'s attitude towards Anglo-Japanese Alliance or of possible tripartite declaration of policy; (ii) emphasized unfavourable impression which any renewal of Alliance or special Anglo-Japanese relations would make on U.S. Govt. and people.	326
324	MR. ARMSTRONG New York Tel. No. 62	July 6	Reports views on renewal of Anglo-Japanese Alliance expressed in the press.	327
325	SIR A. GEDDES Washington Tel. No. 464	July 7	Reports Secretary of State's (i) annoyance at press reports from England on tripartite declaration of policy and (ii) hope that H.M.G. will either avoid publicity until negotiations completed or make clear that form and scope of declaration have yet to be negotiated.	327
326	SIR A. GEDDES Washington Tel. No. 467	July 7	Informs of instructions sent to Mr. Harvey relating to U.S. Govt.'s attitude to Anglo-Japanese Alliance and proposed tripartite declaration: outlines probable essentials of U.S. Govt.'s general policy: if agreed, such policy would facilitate U.S. acceptance of limitation of naval armaments, but continued strife in Ireland would be an obstacle.	328
327	TO SIR B. ALSTON Peking Tel. No. 214	July 8	Refers to No. 328: informs of conversation with Chinese Minister on July 4 regarding proposed conference and likely attitude of Chinese Govt.: considers probable beneficial effects of H.M.G.'s suggesting China's representation at conference.	329
328	TO SIR C. ELIOT Tokyo Tel. No. 141	July 8	Informs of conversation with Japanese Ambassador on July 4 regarding Anglo-Japanese Alliance and reasons for proposed conference on Pacific question: H.M.G.'s proposals being referred to Japanese Govt. with Ambassador's support.	331
329	SIR A. GEDDES Washington	July 8	Letter to Lord Curzon relating to difference between impressions of U.S. policy given in London by Mr. Harvey and those obtained from Mr. Hughes; refers to Nos. 313, 323, &c.	334
330	TO SIR A. GEDDES Washington Tel. No. 416	July 9	Refers to Nos. 327 and 328: informs of conversation with U.S. Ambassador on July 5 relating to (i) proposed Pacific conference, (ii) suggestion that invitations be issued by U.S. Govt., (iii) probable attitude of Chinese and Japanese Govts., (iv) place and time of conference, (v) value of intimate Anglo-Japanese understanding.	336
331	TO SIR B. ALSTON Peking Tel. No. 217	July 9	Refers to No. 281: outlines course of action being suggested to the Govt. of India for dealing with the Sino-Tibetan question: asks for comments.	338

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332 To SIR A. GEDDES Washington Tel. No. 422	July 12	Refers to Nos. 305-6, 314, and 322: trusts that U.S. representative at Peking will be instructed to join colleagues in action proposed in No. 306 or inform H.M.G. of reasons for not doing so: U.S. Counsellor is bringing matter to notice of State Dept.	339
333 SIR B. ALSTON Peking Tel. No. 271	July 14	Agrees generally with proposals in No. 331: suggests Chinese Minister be warned that Tibetan question cannot be discussed at proposed Pacific conference.	340
334 SIR C. ELIOT Tokyo Tel. No. 259	July 14	Refers to No. 328 and reports conversation with M.F.A. who stated Japanese Govt.'s readiness to attend a disarmament conference and their reservations concerning agenda of a Pacific conference.	341
335 To SIR A. GEDDES Washington No. 942	July 14	Informs of conversation with U.S. Ambassador indicating discrepancy of views between H.M.G. and U.S. Govt. about time, place, and agenda of Pacific conference: H.M.G.'s reluctance to merge Pacific and disarmament conferences.	342
336 SIR A. GEDDES Washington Tel. No. 484	July 16	Informs of U.S. Govt.'s proposal for joint diplomatic note to Chinese Govt. warning of danger of further mutiny at Ichang and of consequent punitive action by Powers.	344
337 FOREIGN OFFICE	July 24	Memo. by Lord Curzon on situation with regard to proposed Washington conference containing (i) analysis of developments since Pacific conference suggested (see No. 330), (ii) discussion on probable difficulties concerning membership, organization of, and agenda for, combined Pacific and Disarmament conference, (iii) suggestions for, and advantages of, preliminary Pacific discussions in London in August.	345
338 SIR E. CROWE Foreign Office	July 25	Record of his interview with Japanese Ambassador who believed his Govt. would accept principle of Pacific conference in U.S.A. provided programme previously agreed, and gave his views on possible agenda and advantages of preliminary discussions in London.	351
339 SIR B. ALSTON Peking Tel. No. 291	July 26	Comments on inadequacy of U.S. counter-proposal in No. 336: reports petition by Chinese residents in Ichang in favour of some form of international settlement and neutralization: believes success possible if State Dept. reconsiders attitude and enables prompt action by diplomatic representatives.	353
340 SIR A. GEDDES Washington Tel. No. 508	July 27	Reports interview with Mr. Hughes who maintained (i) that acceptance of Washington conference was binding on H.M.G., (ii) that he never contemplated preliminary conference, (iii) that he understood by	353

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		'preliminary consultations or conversations' discussions through normal channels.	
341 SIR C. ELIOT Tokyo Tel. No. 276	July 27	Reports (i) Japanese Govt.'s acceptance of U.S. invitation to conference in Washington on understanding that topics for discussion settled beforehand, (ii) Govt.'s regret at not being consulted earlier by H.M.G., (iii) M.F.A.'s dissatisfaction with reports from Japanese Ambassador in London, (iv) attitude of Ministry of Marine and Minister of War to conference.	354
342 SIR A. GEDDES Washington Tel. No. 511	July 28	Refers to No. 340: reports further conversation with Mr. Hughes on proposal for preliminary conference at Barharbour and his own preference for Darkharbour.	355
343 To SIR A. GEDDES Washington Tel. No. 466	July 29	Refers to Nos. 340 and 342: instructions to clear up Mr. Hughes's unfortunate misapprehension since H.M.G.'s action relating to preliminary conference was based on expressed opinion of U.S. Ambassador.	356
344 SIR A. GEDDES Washington Tel. No. 516	July 29	Refers to No. 342: reports conversation with Mr. Hughes who authorized him to say that U.S. Govt. were 'unalterably opposed' to preliminary conference.	356
345 SIR A. GEDDES Washington Tel. No. 519	July 30	Reports communicating No. 343 to Mr. Hughes who expressed astonishment and read out extracts of telegrams exchanged with Mr. Harvey: Mr. Hughes regrets H.M.G.'s misunderstanding of U.S. Govt.'s position but maintains opposition to preliminary conference.	357
346 To SIR A. GEDDES Washington Tel. No. 470	July 30	Refers to No. 343: informs of (i) conversation with U.S. Ambassador on July 29 to clear up misunderstanding, (ii) attitude of President Harding and Mr. Hughes, as recorded in telegram read by Mr. Harvey, (iii) Lord Curzon's personal impressions of serious consequences of U.S. Govt.'s reported attitude.	359
347 SIR A. GEDDES Washington Tel. No. 520	July 31	Refers to Nos. 344-6: reports conversation on July 28 with Japanese Ambassador who said he had told Mr. Hughes of Japan's readiness to take part in preliminary discussions and was astonished when Mr. Hughes denied knowledge of any such proposal: explains the position, referring to No. 340: discusses reasons for U.S. attitude towards conference.	361
348 SIR A. GEDDES Washington Tel. No. 521	July 31	Refers to No. 347 and to differences in American and European outlook: connects U.S. attitude towards preliminary conference with question of prestige.	362
349 To SIR A. GEDDES Washington Tel. No. 474	Aug. 1	Refers to Nos. 347 and 348: instructions to make communication to Mr. Hughes explaining H.M.G.'s motives in recent suggestions and their desire now to leave sole responsibility for conference to U.S. Govt.	363

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
350 SIR C. ELIOT Tokyo Tel. No. 282	Aug. 1	Gives own impressions of Japanese attitude towards Washington conference: fear and suspicion still dominant: emphasis on disarmament and discussion of principles rather than concrete cases desired: believes Japan would welcome settlement with China of Shantung and other questions before conference. <i>Note 1.</i> F.O. tel. No. 157 of July 28 to Tokyo emphasizing particular need at present juncture for full and regular reports on trends of Japanese thought and policy.	364
351 To SIR B. ALSTON Peking Tel. No. 250	Aug. 2	Informs of need to support U.S. proposal in No. 336 if unanimity thereby secured: emphasizes importance of ensuring prompt naval co-operation if required: instructions to report on naval arrangements.	365
352 SIR A. GEDDES Washington Tel. No. 524	Aug. 2	Reports communication to Mr. Hughes of gist of No. 349 and his reaction.	366
353 To SIR A. GEDDES Washington Tel. No. 484	Aug. 3	Refers to Nos. 349 and 352: in reply to U.S. queries H.M.G. prefers to leave decision as to date and agenda for conference to U.S. Govt.	366
354 SIR B. ALSTON Peking Tel. No. 304	Aug. 4	Gives his views, as requested, on subjects likely to be raised at Pacific conference: suggests making clear to Chinese delegation that certain matters can be discussed only with united and stable Chinese Govt.: assumes question of Tibet will be excluded.	367
355 To SIR C. ELIOT Tokyo Tel. No. 162	Aug. 5	Describes sequence of events leading to misunderstandings between H.M.G. and U.S. Govt. relating to Pacific conference: instructions to inform Japanese Govt.	369
356 SIR B. ALSTON Peking Tel. No. 307	Aug. 6	Comments on renewed U.S. proposal for an Allied loan to Chinese Eastern Railway.	371
357 SIR C. ELIOT Tokyo Tel. No. 297	Aug. 12	Reports M.F.A.'s gratitude for explanations in No. 355 and his views on preparation of agenda for conference.	372
358 SIR B. ALSTON Peking No. 467	Aug. 13	Reports reasons for anti-British attitude of Americans in China (cf. No. 292), namely Anglo-Japanese Alliance, the Cassels concession, and commercial jealousy, and gives examples.	373
359 To SIR C. ELIOT Tokyo Tel. No. 165	Aug. 16	Instructions to support U.S. Ambassador when he presents text of proposed plan for Chinese Eastern Railway (see No. 254).	377
360 SIR A. GEDDES Washington Tel. No. 556	Aug. 17	Informs of U.S. Govt.'s three reasons for continued adherence to proposals in No. 336: State Dept. (i) decline to comment on expediency of creating international volunteer force and (ii) if their proposals fail, will neither make further suggestions nor join in giving effect to proposals in No. 306.	377

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361 SIR C. ELIOT Tokyo Tel. No. 308	Aug. 17	Reports information obtained from Japanese Naval Staff relating to (i) their views on naval disarmament and (ii) Japanese naval delegates to conference.	378
362 SIR B. ALSTON Peking Tel. Unnumbered	Aug. 18	Describes unsatisfactory conditions in Chinese courts and judicial authorities' lack of power <i>vis-à-vis</i> military authorities. <i>Note 3.</i> Extracts from Mr. Lampson's memo. of Oct. 10, 1921, on Extraterritoriality: indefensible at present to deprive British subjects of such rights: suggestions for training up Chinese courts to proper standard (cites instance of trademark law).	379 380
363 MR. LAMPSON Foreign Office	Aug. 18	Summary of views expressed at Imperial Conference, July 26, as to whether the Anglo-Japanese Alliance should be directly discussed at Washington conference.	380
364 SIR A. GEDDES Washington Tel. No. 563	Aug. 20	Reports press comment on Mr. Lloyd George's suggestion, in House of Commons Aug. 18, for developing Anglo-Japanese Alliance into a three-Power understanding.	382
365 SIR C. ELIOT Tokyo Tel. No. 314	Aug. 23	Reports conversation with M.F.A. relating to (i) reply to be sent to U.S. invitation to Washington conference, (ii) policy towards Chita Govt., (iii) gratification at H.M.G.'s attitude towards alliance with Japan.	382
366 To SIR B. ALSTON Peking Tel. No. 280	Aug. 26	Refers to No. 360: requests report on position, prospects of Chinese Govt. accepting international settlement if decision made to proceed without U.S. co-operation, and arrangements for naval co-operation.	383
367 To SIR B. ALSTON Peking No. 824	Aug. 26	Inform of handing of memo. to Chinese Minister, who was told (i) that if Tibetan negotiations not resumed within a month H.M.G. would feel free to deal with Tibet without reference to China, (ii) of H.M.G.'s inability to recommend H.R.H. the Prince of Wales to accept official invitation to visit Peking owing to internal chaos in China.	384
368 To SIR B. ALSTON Peking Tel. No. 284	Aug. 27	Refers to No. 333: transmits text of memo. referred to in No. 367 and instructs to send identic communication to M.F.A.	386
369 To SIR B. ALSTON Peking Tel. No. 285	Aug. 27	Refers to No. 368: informs of verbal explanations given to Chinese Minister and instructs to speak in same sense to M.F.A.	387
370 SIR B. ALSTON Peking Tel. No. 334	Aug. 30	Refers to No. 366: informs that diplomatic body accepted on Aug. 23 draft note to M.F.A. based on U.S. suggestions in No. 336: summarizes note: explains preparations for naval co-operation.	388

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371 SIR B. ALSTON Peking Tel. No. 337	Aug. 31	Reports action taken on No. 368 and conversation with M.F.A. on H.M.G.'s policy towards Tibet.	389
372 SIR B. ALSTON Peking Tel. No. 355	Sept. 8	Refers to No. 371 and reports further conversation with M.F.A. who explained why present moment inopportune for resuming Tibetan negotiations. <i>Note 3.</i> Sir B. Alston's telegram No. 356 of Sept. 8 suggests deferring negotiations until after Washington conference.	390 391
373 MR. ASHTON-GWATKIN Foreign Office	Sept. 8	Conclusions of memo. respecting increasing Japanese interest in Dutch East Indies: effect on Anglo-Dutch relations: danger of native and communistic agitation in Java: significance for British position at Singapore.	391
374 SIR C. ELIOT Tokyo No. 452	Sept. 9	Transmits report from acting Military Attaché respecting views of (i) Japanese officers on Yap question, possibility of war with U.S., and India, (ii) U.S. Assistant Naval Attaché on likely developments in Far East.	394
375 SIR C. ELIOT Tokyo Tel. No. 352	Sept. 13	Refers to No. 361: transmits further reports by Naval Attaché relating to Japanese delegation to Washington conference, proposals considered for limiting naval armaments, and optimism of Naval Staff.	396
376 SIR C. ELIOT Tokyo Tel. No. 359	Sept. 17	Reports information received from M.F.A. relating to Govt.'s views on U.S. draft agenda for Washington conference: M.F.A. anxious to learn H.M.G.'s views.	397
377 To SIR A. GEDDES Washington Tel. No. 560	Sept. 18	Refers to U.S. draft agenda: asks for further information on general procedure: indicates H.M.G.'s attitude towards agenda, countries to be invited to conference, and British representation thereat.	398
378 To SIR C. ELIOT Tokyo Tel. No. 195	Sept. 18	Refers to No. 377: instructions to inform Japanese Govt. of H.M.G.'s anxiety to learn their views on U.S. proposed agenda: H.M.G. unable to commit themselves without previous understanding with Japan.	399
379 SIR A. GEDDES Washington Tel. No. 609	Sept. 21	Refers to No. 377: reports further details of conference procedure, Mr. Hughes's attitude towards inclusion of question of Panama Canal tolls on agenda and regret that Prime Minister cannot attend conference: adds own views on last two subjects.	399
380 SIR A. GEDDES Washington Tel. No. 610	Sept. 21	Reports change in U.S. Govt.'s attitude towards H.M.G.: suggests reasons: summarizes main points of conversation with Mr. Hughes who expressed desire for frank Anglo-U.S. co-operation and formulation of tripartite agreement at private discussions between U.S., Great Britain, and Japan: trusts H.M.G. will spare no effort to make conference a success.	400

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381 SIR A. GEDDES Washington No. 978	Sept. 21	Reviews, for possible use of British delegates to Washington conference, (i) state of U.S. public opinion, (ii) growing desire for effective co-operation of English-speaking peoples, (iii) attitude of Mr. Hughes and other U.S. delegates: believes there is no U.S. obstacle to success of conference.	401
382 SIR C. ELIOT Tokyo Tel. No. 366	Sept. 22	Transmits M.F.A.'s further views on U.S. proposals for Washington conference agenda (cf. No. 376).	405
383 MR. WELLESLEY Foreign Office	Sept. 23	Record of conversation with Chinese Chargé d'Affaires about Shantung question: expressed own view that this concerned China and Japan alone and that it would be deplorable to throw away present opportunity of reaching agreement. <i>Note 2.</i> Lord Curzon's disagreement with view that question concerned only China and Japan.	406 407
384 To SIR A. GEDDES Washington	Sept. 25	Letter from Lord Curzon: refers to No. 387: discusses choice of chief British representative for conference, principles for tripartite understanding, disorganized state of China, conduct of conferences, incident concerning Lord Northcliffe, and other matters.	407
385 To SIR B. ALSTON Peking Tel. No. 307	Sept. 26	Informs of incident in Macao harbour reported by Portuguese Minister: instructions to enquire and, if their case is well founded, assist Portuguese representatives to obtain satisfactory settlement.	409
386 SIR B. ALSTON Peking No. 554	Sept. 26	Transmits report respecting Bolshevism and Chinese Communism and Anarchism in Far East.	409
387 To SIR A. GEDDES Washington Tel. No. 576	Sept. 28	Message for Mr. Hughes: reciprocates views and sentiments in No. 380, and promises instructions to H.M. delegates to co-operate on lines indicated.	416
388 SIR A. GEDDES Washington Tel. No. 626	Sept. 29	Reports Mr. Hughes' relief at message in No. 387 owing to press reports of British delegation's intention to try temporarily to shelve disarmament question if Far Eastern question not first settled.	416
389 To PORTUGUESE MINISTER London	Oct. 1	Informs of Mr. Jamieson (H.M. Consul-General at Canton)'s report of Macao incident and opinion that case should be submitted to impartial authority: endorses Sir E. Crowe's suggestion for submission to League of Nations: reminds that while H.M.G. happy to give friendly advice they cannot relieve Portuguese Govt. from responsibility for any action taken.	416
390 SIR B. ALSTON Peking Tel. No. 372	Oct. 3	Brief résumé of serious Chinese financial position: suggests possible means of foreign control: considers financial must take precedence over other reforms in conference discussions.	418

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391	MR. JAMIESON Shameen Tel. No. 9	Oct. 6	Agrees with Sir B. Alston that Canton Govt. might claim direct negotiations on Macao dispute as tantamount to recognition: hence own suggestion for submitting question to H.M. Supreme Court, Shanghai: Canton Govt. prepared to buy back Macao.	419
392	TO SIR B. ALSTON Peking Tel. No. 313	Oct. 6	Informs of communication to Portuguese Minister (see No. 389): proposes U.S. Consul as alternative if Canton Govt. unwilling to accept British arbitration.	420
393	SIR B. ALSTON Peking Tel. No. 380	Oct. 7	Refers to Canton Govt.'s readiness to buy back Macao (No. 391) and Portugal's reaction: trusts this solution may be advocated if at all possible.	420
394	TO SIR B. ALSTON Peking Tel. No. 316	Oct. 8	Refers to No. 392: informs of official demands of Canton Govt. reported by Portuguese Govt. who request British mediation and enquire as to British support in case of resort to force.	421
395	SIR L. CARNEGIE Lisbon Tel. No. 95	Oct. 8	Reports conversation concerning Macao question with President of Republic who wanted aid rather than advice from H.M.G. and hoped they would send ship and insist on arbitration.	422
396	SIR B. ALSTON Peking Tel. No. 382	Oct. 10	Reports Inspector-General of Customs (Sir F. Aglen)'s belief that financial crisis imminent: discusses seriousness of situation in view of Washington conference.	422
397	SIR C. ELIOT Tokyo Tel. No. 404	Oct. 15	Reports conversation with M.F.A. who informed him of Japanese Govt.'s (i) intention not to object to proposed agenda for Washington conference but to reserve right of bringing up other subjects, (ii) view of disarmament as primary object of conference, (iii) intention to make overtures to China on Shantung question, (iv) preference for discussing possible tripartite agreement at Washington. Comments on Govt.'s desire to be on good terms with U.S.: reports departure of delegates, Oct. 15.	423
398	SIR B. ALSTON Peking Tel. No. 389	Oct. 17	Refers to No. 394 and discusses possible alternatives facing H.M.G. in view of deadlock at Macao.	425
399	SIR J. JORDAN Foreign Office	Oct. 17	Memo. respecting U.S. suggestions for Washington conference agenda relating to China: comments on her need for sympathy and support of foreign powers in putting her house in order, and indicates dangers of foreign intervention, financial control, and other suggested remedies.	426
400	MR. WELLESLEY Foreign Office	Oct. 18	Memo. on reported agreement of Aug. 16 between Royal Financial Corporation of Vancouver and Chinese Govt. for a loan to be floated partly in New York: loan	431

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		contrary to Consortium principles: attitude of H.M.G. and Canadian Govt.: hope of action by U.S. Govt. to prevent issue of proposed loan.	
401 SIR C. ELIOT Tokyo Tel. No. 410	Oct. 18	Refers to Japanese press reports of U.S. readiness to mediate in Shantung question: considers official attitude towards U.S.A. more friendly but press still hostile and suspicious, though in favour of reduction of armaments.	432
402 SIR B. ALSTON Peking Tel. No. 391	Oct. 20	Reports informing M.F.A. of H.M.G.'s decision relating to postponement of Tibetan negotiations (cf. No. 372, n. 3) and intended action if further delay attempted at end of Washington conference.	433
403 TO SIR B. ALSTON Peking Tel. No. 326	Oct. 20	Informs of H.M.G.'s reluctance to intervene in Sino-Japanese negotiations about Shantung, and hope of more satisfactory settlement at discussions in Washington.	434
404 MR. WELLESLEY Foreign Office	Oct. 20	General survey of political situation in Pacific and Far East with reference to Washington conference: includes (a) discussion of aims and policies of Japan, U.S., China, and Great Britain; (b) review of racial, economic, and political aspects of situation, (c) reasons why British policy should concentrate on securing (i) tripartite declaration, (ii) naval agreement, (d) notes on twenty questions which may be brought up for discussion.	434
405 FOREIGN OFFICE	Oct. 22	Memo. for H.M. delegation to Washington conference on possible development of Anglo-Japanese Alliance into tripartite agreement (refers to Nos. 326 and 397): states desirability of U.S. Govt. initiative but discusses possible formulae for agreement if U.S. suggestion impracticable.	448
		<i>Note 7.</i> Lord Curzon's comments on advantages of present Anglo-Japanese Alliance.	450
		<i>Appendix B.</i> Formula for tripartite agreement drafted by Sir J. Jordan.	450
406 TO SIR B. ALSTON Peking No. 1013	Oct. 24	Informs of his advice to Chinese delegation (in conversation with Chinese Minister) relating to (i) settlement of Shantung dispute, (ii) acceptance of Consortium and other aid, (iii) advisability of steering Japanese expansion in direction of Manchuria.	451
407 SIR B. ALSTON Peking Tel. No. 398	Oct. 25	Transmits reports of munition imports into Canton from U.S. and German sources: suggests question sufficiently urgent for discussion at Washington.	453
408 SIR B. ALSTON Peking Tel. No. 400	Oct. 25	Informs of Consortium Powers' representatives' view that Chinese Govt.'s request for customs surtax pending tariff revision should be granted: outlines In-	453

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		spector-General's scheme for surtax and control of surplus: suggests he be authorized to agree, on certain conditions.	
409 FOREIGN OFFICE	Oct. 27	Memo. on withdrawal of foreign troops from N. China: moment inopportune and any important alteration premature until results of Washington conference known.	455
410 To SIR C. ELIOT Tokyo Tel. No. 221	Oct. 29	In view of discussions of Japan's population increase and claim to expand on Asian mainland, instructs him to send own views and facts.	457
411 To SIR B. ALSTON Peking Tel. No. 339	Nov. 4	Refers to No. 398: outlines H.M.G.'s proposed course of action with regard to Sino-Portuguese disputes at Macao. <i>Note 3.</i> Sir B. Alston's comments.	458
412 To SIR A. GEDDES Washington No. 1454	Nov. 4	Transmits No. 407: considers matter unsuitable for discussion at Washington conference, but instructs to make representations to U.S. Govt.: explains Germany's position relating to arms export and her nationals in China.	459
413 SIR C. ELIOT Tokyo Tel. No. 434	Nov. 7	Detailed reply to No. 410: considers dangers of over-population and failure of food-supply in Japan exaggerated: compares and contrasts abilities and economic achievements of Chinese and Japanese.	459
414 SIR B. ALSTON Peking No. 653	Nov. 7	Refers to approaching dissolution of Central Govt. in Peking, amid general indifference: discusses consequent prospects of Chinese delegation to Washington conference: reports latest political and financial developments.	462

CHAPTER VI

Correspondence, &c., relating principally to the Washington Conference on Pacific Affairs and the Limitation of Armament

November 11, 1921–February 6, 1922

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
415 MR. BALFOUR Washington Delegation No. 1	Nov. 11	Reports arrival of British Empire delegation at Washington and tentative scheme of procedure: transmits drafts of (i) Anglo-U.S.-Japanese agreement, with explanations, (ii) agreement relating to China, based on desirability of substituting international co-operation for international rivalry there: suggests procedure for settlement of Shantung question: considers political side of Pacific question should be dealt with before disarmament.	466

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		<i>Encl.</i> Text of draft agreement relating to China.	469
416 SIR M. HANKEY Washington Delegation	Nov. 11	Memo. of interview on Nov. 11 between Mr. Hughes and Mr. Balfour during which the latter communicated the drafts referred to in No. 415.	470
417 MR. BALFOUR Washington Delegation Tel. No. 5	Nov. 13	Reports views of Naval Staff on U.S. plan for limitation of naval armaments and attitude to be taken by British Empire delegation: proposes to accept plan for number of capital ships but to urge reference of certain other aspects to a commission.	472
418 MR. BALFOUR Washington Delegation Tel. No. 14	Nov. 14	Tel. for President of Board of Trade from Sir Llewellyn Smith, Head of Economic Section of British Empire delegation, requesting observations on relative advantages to trade and employment of (i) U.S. proposal for ten years' shipbuilding holiday, (ii) British suggestion of three years' holiday followed by steady but reduced building programme: discusses both programmes.	473
419 To PORTUGUESE MINISTER London	Nov. 14	Note indicating <i>modus vivendi</i> which H.M.G. would support in Macao dispute (cf. No. 411) and asking whether question is to be submitted to League of Nations: H.M.G. favour final settlement of boundary question.	474
420 To MR. BALFOUR Washington Delegation Tel. No. 7	Nov. 15	H.M.G.'s observations on Committee of Imperial Defence's conclusions concerning U.S. proposals in light of No. 417: (i) advantages of U.S. plan for ten years' naval holiday; (ii) consequences of its adoption by three leading Naval Powers in relation to possible building of submarines and aircraft by minor or non-signatory Powers; (iii) desirability of linking acceptance of U.S. proposal with restriction or abolition of submarines.	475
421 To SIR A. GEDDES Washington Tel. Unnumbered	Nov. 16	Transmits text of Committee of Imperial Defence's conclusions referred to in No. 420.	476
422 SIR B. ALSTON Peking Tel. No. 424	Nov. 16	Reports run on banks and incompetence of Govt. to deal with situation.	477
423 MR. BALFOUR Washington Delegation Tel. No. 21	Nov. 16	Refers to No. 420: reports position reached in discussion of limitation of naval armaments.	478
424 MR. BALFOUR Washington Delegation Tel. No. 26	Nov. 17	Summary of proceedings at 1st meeting of technical sub-committee on limitation of armaments.	478
425 MR. BALFOUR Washington Delegation Tel. No. 28	Nov. 17	Gives reasons for desiring greater liberty of concession on questions of Weihaiwei and Boxer indemnity in event of their being raised at conference.	479

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426	MR. BALFOUR Washington Delegation Tel. No. 29	Nov. 17	Transmits British Empire delegation's comments on views in Nos. 420 and 421.	480
427	SIR C. ELIOT Tokyo Tel. No. 455	Nov. 17	Reports gist of remarks made to him by Minister of War relating to (i) naval reductions, (ii) fortifications, (iii) reduction of army, (iv) China.	481
428	SIR C. ELIOT Tokyo Tel. No. 457	Nov. 17	Reports interview with new Prime Minister (Viscount Takahashi) who expressed general approval of U.S. naval proposals and discussed future of Anglo-Japanese friendship.	482
429	MR. BALFOUR Washington Delegation No. 3	Nov. 17	Describes procedural and publicity arrangements at conference.	482
430	TO MR. BALFOUR Washington Delegation Tel. No. 21	Nov. 18	Tel. for Sir Llewellyn Smith in reply to No. 418: transmits Board of Trade's observations on effect of alternative programmes on employment and armament firms generally.	484
431	MR. BALFOUR Washington Delegation Tel. No. 34	Nov. 18	Informs of attitude he proposes to adopt when question of certain 19th-century agreements is raised in connexion with renunciation of 'spheres of influence' in China.	485
432	MR. BALFOUR Washington Delegation Tel. No. 36	Nov. 18	Reports his discussion with Lord Beatty and Mr. Hughes on procedure for arriving at allocation of capital ships to British Empire, U.S., Japan, France, and Italy.	486
433	MR. BALFOUR Washington Delegation Tel. No. 37	Nov. 18	Reports his reply to Mr. Koo's request for assurances concerning (i) control of Chinese internal affairs and (ii) support for increase of Japanese influence in Manchuria.	487
434	SIR B. ALSTON Peking Tel. No. 426	Nov. 18	Refers to No. 422: reports Chinese Govt.'s proposal to draw on customs balance in hands of Inspector-General of Customs to relieve financial panic and reasons why diplomatic corps unable to support request for release of funds: cash being sent by Gen. Chang Tso-lin in response to Govt.'s appeal.	487
435	MR. BALFOUR Washington Delegation Tel. No. 41	Nov. 19	Comments on bad impression made by Mr. Koo at morning session of conference and risk that he may raise Tibetan question: suggests hint be given to Chinese Govt. to restrain Mr. Koo.	488
436	MR. BALFOUR Washington Delegation Tel. No. 43	Nov. 19	Reports his conversation with Mr. Hughes and Baron Kato respecting Japanese claims for more than 60 per cent. of the number of British and U.S. capital ships.	489
437	MR. BALFOUR Washington Delegation Tel. No. 44	Nov. 20	Reports conversation with M. Briand who discussed U.S. objectives in calling conference and referred to coming meeting with Mr. Lloyd George (see Vol. XV, Chap. VII): suggests M. Briand had	489

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		realized need for Anglo-French co-operation.	
438 LORD HARDINGE Paris No. 3219	Nov. 20	Surveys effect on French public opinion and press of opening meetings of Washington Conference, especially their astonishment at Anglo-U.S. co-operation on naval proposals and their opposition to British proposal for abolition of submarines.	490
439 To MR. BALFOUR Washington Delegation Tel. No. 33	Nov. 22	Informs of H.M.G.'s anxiety regarding M. Briand's statement on French land and air armaments and submarine policy: instructs on attitude to maintain.	494
440 To MR. BALFOUR Washington Delegation Tel. No. 36	Nov. 23	Refers to No. 431: agrees to proposals therein and suggests opportune moment for making statement.	494
441 To SIR B. ALSTON Peking Tel. No. 352	Nov. 23	Refers to No. 422: informs of H.M.G.'s inability to agree to proposed customs surtax in advance of possible discussion at Washington.	495
442 To MR. BALFOUR Washington Delegation Tel. No. 37	Nov. 23	Explains relationship between naval disarmament proposals and French Govt.'s attitude (cf. No. 439): H.M.G. cannot accept former without consideration of France's land and air armaments and submarine programme: points out risks to Great Britain, and urges need for general disarmament.	495
443 To MR. BALFOUR Washington Delegation Tel. No. 38	Nov. 23	Refers to No. 442: summarizes views of Committee of Imperial Defence on M. Briand's statement of Nov. 21 and their suggestions relating to (i) reason for M. Briand's attitude, (ii) possible bargaining to secure abolition of submarines.	497
444 To MR. BALFOUR Washington Delegation Tel. No. 42	Nov. 24	Refers to No. 433: queries possible interpretation of assurance given to Mr. Koo relating to control of Chinese internal affairs and draws his attention to No. 406 (iii).	500
445 SIR B. ALSTON Peking Tel. No. 431	Nov. 24	Reports indications of likely vigorous resistance by Chinese military chiefs in Manchuria to any scheme of international control of Chinese Eastern Railway.	501
446 To MR. BALFOUR Washington Delegation Tel. No. 47	Nov. 24	Refers to No. 425: transmits H.M.G.'s views on surrender of Weihaiwei and Boxer indemnity: concession on either subject considered premature.	501
447 MR. BALFOUR Washington Delegation Tel. No. 59	Nov. 24	Reports his raising question of land armaments at Committee on Limitation of Armament on Nov. 23: M. Briand rejected discussion unless France given collective guarantee of security: decision to appoint three sub-committees to consider (a) aircraft, (b) poison gas, (c) rules for conduct of land war.	502
448 MR. BALFOUR Washington Delegation Tel. No. 60	Nov. 24	Refers to Nos. 439, 442-3: comments on (i) difficulties of inducing French Govt. to acquiesce in subordinate naval role or to	503

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		reduce land forces so long as they fear Germany, (ii) risk of endangering agreement on capital ships through unprofitable dispute, (iii) difficult problems of cruisers, submarines, and aircraft.	
449 MR. BALFOUR Washington Delegation No. 4	Nov. 24	Refers to No. 415: reports (i) progress of informal discussions with (a) Mr. Hughes, (b) Japanese delegates concerning tripartite agreement, (ii) principles adopted by Committee on Far Eastern and Pacific questions in regard to China, (iii) reference to a commission of questions concerning China's revenue, (iv) willingness of Chinese and Japanese delegations to attempt to settle Shantung question outside conference. <i>Encl.</i> Sir M. Hankey's record of conversation on Nov. 18 with Mr. Saburi of the Japanese delegation on the Anglo-Japanese Alliance, and other aspects of the conference.	505 508
450 MR. BALFOUR Washington Delegation Tel. No. 62	Nov. 25	Reports that he and Mr. Hughes had urged on Admiral Kato and Chinese Minister that best prospect of solving Shantung question lay in Sino-Japanese discussions outside conference and had offered their good offices: asks that H.M. Minister at Peking be instructed to make representations accordingly.	511
451 NOTE OF CONVERSATION	Nov. 26	Conversation between Mr. Balfour, Senator Lodge, and Mr. Root on Nov. 26 relating to (i) proposed tripartite arrangement and its dependence on settlement of Shantung question, (ii) cause, and possible effect on concessions, of chaotic state of China, (iii) other questions relating to the conference.	512
452 To MR. BALFOUR Washington Delegation Tel. No. 55	Nov. 27	Summarizes views of Committee of Imperial Defence in light of Nos. 447-8: emphasizes need for conference to consider dangers of large French land armaments, extreme disparity between French and British air forces, and risks involved in naval disarmament proposals.	513
453 MR. BALFOUR Washington Delegation Tel. No. 68	Nov. 27	Refers to No. 446: transmits and supports views of Sir J. Jordan on advantages of returning Weihaiwei to China and requests reconsideration of position.	516
454 SIR B. ALSTON Peking Tel. No. 437	Nov. 28	Transmits Canton tel. reporting Chinese acceptance of joint investigation of Sino-Portuguese September incident at Macao (see No. 411).	518
455 SIR B. ALSTON Peking Tel. No. 436	Nov. 28	Refers to No. 435 and gives reasons for thinking moment inopportune for complaining of Mr. Koo's attitude: reports unsatisfactory nature of Reuters' service.	518

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456	MR. BALFOUR Washington Delegation Tel. No. 73	Nov. 28	Outlines position with regard to naval disarmament proposals: informs of general lines to be taken by British delegates in main conference.	519
457	SIR C. ELIOT Tokyo Tel. No. 475	Nov. 29	Reports on internal situation following appointment of Crown Prince as Regent: suggests new régime may instruct delegates at Washington to (i) meet U.S. views on armaments, (ii) be firm on Asiatic question, (iii) make concessions about Shantung railway.	521
458	MR. BALFOUR Washington Delegation Tel. No. 77	Nov. 29	Reports Mr. Hughes' (i) general approval of draft arrangement to supersede Anglo-Japanese Alliance (cf. No. 451); (ii) two proposed modifications, i.e. (a) scheme to apply to island possessions in Pacific only, (b) arrangement to include France; (iii) acceptance, with addition of four agreed principles (cf. No. 449 (ii)), of enclosure in No. 415 as basis for discussion on China.	522
459	MR. BALFOUR Washington Delegation Tel. No. 80	Nov. 30	Reports progress in matter of Shantung and arrangements made to discuss question outside conference (cf. No. 450).	523
460	MR. BALFOUR Washington Delegation Tel. No. 83	Nov. 30	Reports Japanese naval expert's refusal to accept 5-5-3 ratio for capital ships, and Admiral Chatfield's support for American proposals.	524
461	TO MR. BALFOUR Washington Delegation Tel. No. 64	Dec. 1	Refers to No. 453: informs of opinions of Committee of Imperial Defence, Admiralty and War Office relating to Weihaiwei, and suggests consideration of political or administrative advantages in return for possible surrender. <i>Note 4. British Empire delegation's decision on procedure in light of No. 461.</i>	524
462	TO SIR B. ALSTON Peking Tel. No. 363	Dec. 1	Refers to No. 441: informs of Chinese Chargé d'Affaires' suggestion for immediate rise in customs duties and reply given.	526
463	TO MR. BALFOUR Washington Delegation Tel. No. 66	Dec. 1	Refers to No. 456: explains H.M.G.'s policy relating to (i) acceptance of new U.S.-Japanese proposal on capital ship construction, (ii) support for ten years' absolute naval holiday, (iii) advantages of a carefully calculated programme of replacements after ten years, (iv) necessity of accepting prohibition on building warships for foreign countries, (v) submarines, (vi) numbers and tonnage of cruisers.	526
464	MR. BALFOUR Washington Delegation Tel. No. 88	Dec. 1	No reply received to No. 453: asks, in view of Shantung negotiations, for full discretion to announce H.M.G.'s willingness to withdraw from Weihaiwei.	528
465	MR. BALFOUR Washington Delegation Tel. No. 89	Dec. 1	Refers to No. 460: reports conversation with (i) Baron Kato who explained difficulty in persuading Japanese opinion	529

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		to accept capital ships' ratio unless U.S. agreed to <i>status quo</i> in fortifications in Pacific, (ii) Mr. Hughes who considered Japanese proposal unacceptable and suggested alternative.	
466 Mr. BALFOUR Washington Delegation Tel. No. 90	Dec. 1	Discusses difficulties in preventing competition with France in aerial armaments: reports naval advisers' views on probable rapid aviation development during 10 years' naval holiday.	530
467 To Mr. BALFOUR Washington Delegation Tel. No. 71	Dec. 2	Tel. for Sir H. Llewellyn Smith giving Board of Trade's views on Chinese tariff revision.	531
468 To Mr. BALFOUR Washington Delegation Tel. No. 72	Dec. 2	Refers to No. 458: requests further explanations of Mr. Hughes' proposed modifications.	532
469 Mr. BALFOUR Washington Delegation Tel. No. 91	Dec. 2	Describes present state of discussion on Chinese tariff, including proposal for immediate revision of import tariff rates on condition of earmarking proceeds for productive uses, and higher duties on certain luxuries.	532
470 Mr. BALFOUR Washington Delegation Tel. No. 93	Dec. 3	Reports meeting with Mr. Hughes and Baron Kato on Dec. 2 to discuss capital ships' ratios and proposals put forward by latter in No. 465: summarizes own statement and expresses hope of satisfactory settlement.	533
471 Mr. BALFOUR Washington Delegation Tel. No. 94	Dec. 3	Reports Baron Kato's reply to Mr. Hughes' question whether Japan would accept proposed quadruple arrangement (see No. 458): assumes he himself has discretion to conclude arrangement on lines indicated.	535
472 Mr. BALFOUR Washington Delegation Tel. No. 97	Dec. 3	Refers to No. 468 and explains significance of proposed modifications.	535
473 To Sir B. ALSTON Peking Tel. No. 371	Dec. 5	Transmits information reported to have been received by Japanese Govt. from Japanese minister in Peking suggesting recent run on two banks in China (see Nos. 422 and 434) was Anglo-American plot: gives arguments adduced and points raised by Japanese minister.	536
474 Mr. BALFOUR Washington Delegation Tel. No. 103	Dec. 5	Reports informal conversation between Sir M. Hankey and Secretary-General of Italian delegation on Italy's claim to be included in proposed Pacific agreement if France admitted.	537
475 To Mr. BALFOUR Washington Delegation Tel. No. 81	Dec. 6	Expresses concern that Weihaiwei may be surrendered as part of solution of Shantung question, not of a general settlement: queries whether H.M.G. will get anything in return.	537
476 To Mr. BALFOUR Washington Delegation Tel. No. 84	Dec. 6	Gives reasons why H.M.G. cannot consider limitation of air forces.	538

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477	To MR. BALFOUR Washington Delegation Tel. No. 85	Dec. 6	Refers to No. 466: Committee of Imperial Defence still convinced that limitation of aircraft or number of cadres is impracticable: gives further examples of relative British weakness.	538
478	To MR. BALFOUR Washington Delegation Tel. No. 94	Dec. 7	Refers to Nos. 474 and 328, and explains objection to including Italy in arrangement to replace Anglo-Japanese Alliance: suggests procedure to prevent question being raised formally by Italian Govt.	539
479	To MR. BALFOUR Washington Delegation Tel. No. 97	Dec. 7	Refers to Nos. 471 and 472: informs of H.M.G.'s agreement to quadruple arrangement on lines indicated (cf. No. 478).	540
480	MR. BALFOUR Washington Delegation Tel. No. 115	Dec. 7	Reports (i) Japanese agreement to quadruple arrangement, (ii) discussion of revised draft (see No. 481) by Mr. Hughes, Baron Kato, and himself, (iii) approach made to M. Viviani, (iv) publication arrangements, (v) assurance to be given to Italian Govt.	540
481	MR. BALFOUR Washington Delegation Tel. No. 116	Dec. 7	Transmits U.S. draft text of quadruple agreement (cf. No. 480).	541
482	MR. BALFOUR Washington Delegation Tel. No. 117	Dec. 7	Refers to Nos. 480 and 481: transmits details of proposed alterations and summarizes main differences between U.S. and Japanese drafts.	542
483	MR. BALFOUR Washington Delegation Tel. No. 122	Dec. 8	Refers to No. 478: reports formal notification to Italian delegation of draft quadruple arrangement: suggests gratification be expressed at Italy's helpful attitude.	543
484	SIR C. ELIOT Tokyo Tel. No. 491	Dec. 9	Reports Japanese Govt.'s reactions to proposed naval ratio and scrapping of 'Mutsu'.	543
485	To MR. BALFOUR Washington Delegation Tel. No. 101	Dec. 9	Requests news of developments relating to 10 years' naval holiday for capital ships: expresses concern at reports of British naval experts' opposition: reiterates, with reasons, H.M.G.'s firm support of U.S. proposal and discusses possible alternative arrangements for smaller craft.	544
486	MR. BALFOUR Washington Delegation Tel. No. 128	Dec. 9	Reports (i) agreement on quadruple treaty to be announced at plenary meeting on Dec. 10, (ii) delay in signature expected until conclusion of U.S.-Japanese agreement on 'C' mandates.	546
487	MR. BALFOUR Washington Delegation Tel. No. 130	Dec. 9	Reports discussion preceding agreement on quadruple treaty: explains modifications made in preamble and article 1 of text in No. 481.	546
488	MR. BALFOUR Washington Delegation Tel. No. 133	Dec. 9	Reports conversation with Mr. Hughes relating to effect of quadruple agreement on Anglo-U.S. discussions about 'C' mandates; he proposes to ensure their continuation, as desired by U.S. Govt.	547

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489	SIR M. HANKEY Washington Delegation Unnumbered	Dec. 9	Note of conversation between Mr. Balfour and Mr. Hughes relating to France's allocation of capital ships under U.S. scheme.	548
490	SIR B. ALSTON Peking Tel. No. 454	Dec. 11	Refers to No. 473: discusses reason for Chinese criticisms of Sir F. Aglen and explains his own attitude.	549
491	SIR B. ALSTON Peking Tel. No. 455	Dec. 12	Describes agitation at Amoy against British control of Concession's foreshore and boycott of Messrs. Butterfield and Swire: reports M.F.A.'s anxiety for settlement of dispute.	550
492	TO MR. BALFOUR Washington Delegation Tel. No. 111	Dec. 12	Expresses H.M.G.'s gratification at Quadruple Treaty and admiration of Mr. Balfour's part in its conclusion.	550
493	TO MR. BALFOUR Washington Delegation Tel. No. 114	Dec. 12	Reported willingness of Japanese Govt. to consider compromise on Shantung railway and importance they attach to Tsingtao wharves and Kiao-Chow salt industry.	551
494	MR. BALFOUR Washington Delegation Tel. No. 143	Dec. 12	Reports meeting with Mr. Hughes and Baron Kato on Dec. 12 at which (i) capital ship ratio of 10-10-6 accepted, (ii) maintenance of <i>status quo</i> as regards Pacific fortifications and naval bases (cf. No. 465) agreed to on certain conditions. Naval experts asked to study rearrangement of capital ships necessitated by Japanese insistence on retention of 'Mutsu'.	551
495	MR. BALFOUR Washington Delegation Tel. No. 144	Dec. 12	Refers to No. 485: Japanese refusal to surrender 'Mutsu' (cf. No. 494) means end of 10 years' naval holiday plan in original form: explains attitude of British Empire delegation and naval experts and denies newspaper rumours.	552
496	SIR B. ALSTON Peking Tel. No. 456	Dec. 13	Transmits telegram referring to No. 469 and conveying resolution by British Chamber of Commerce, Shanghai, protesting against any increase in Chinese import duties unaccompanied by revision of internal taxation of merchandise, pointing out serious consequences of not seizing opportunity of Washington conference to secure such reforms, denying need to raise import tariff to aid railway construction, and requesting transmission of these views to British delegation.	553
497	SIR B. ALSTON Peking Tel. No. 457	Dec. 13	Refers to No. 496: gives own views on resolution and on proposals in No. 469.	554
498	TO SIR C. ELIOT Tokyo Tel. No. 258	Dec. 13	Sends message to be given to Japanese Govt. on occasion of signature of Quadruple Treaty.	555
499	MR. BALFOUR Washington Delegation Tel. No. 152	Dec. 13	Reports signature of Quadruple Treaty on Dec. 13, and also, unexpectedly, of document recording that treaty applied to mandated islands.	555

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500	MR. BALFOUR Washington Delegation Tel. No. 158	Dec. 14	Refers to No. 493: informs of Sino-Japanese exchanges relating to Tsingtao salt industry and hopes of agreement.	556
501	MR. BALFOUR Washington Delegation Tel. No. 162	Dec. 14	Reports meeting on Dec. 13 with Mr. Hughes and Baron Kato to discuss re-arrangement of limitation of capital ships (cf. No. 494): describes difficulties raised by Mr. Hughes over tonnage of two new ships whose completion was desired by Great Britain.	556
502	MR. BALFOUR Washington Delegation Tel. No. 167	Dec. 15	Reports further meeting with Mr. Hughes and Baron Kato on Dec. 14, after consultation with naval experts, and alternative proposals for building and scrapping British capital ships: choice to be referred to H.M.G.	558
503	MR. BALFOUR Washington Delegation Tel. No. 168	Dec. 15	Reports discussion on use of legend tonnage instead of American tons for calculating ship replacements: experts to be consulted.	559
504	MR. BALFOUR Washington Delegation Tel. No. 169	Dec. 15	Reports meeting on Dec. 15 with Mr. Hughes and Baron Kato, and Mr. Hughes' consent to legend tonnage basis: explains reasons for taking responsibility for decision (cf. No. 502) to accept two capital ships of 35,000 legend tons and to scrap four 'King George V's'. <i>Note 3.</i> Washington Delegation tel. No. 166 of Dec. 15 gave full statement of 3-Power agreement on naval ratio.	560
505	MR. BALFOUR Washington Delegation Tel. No. 171	Dec. 16	Reports (i) Admiral de Bon's statement to Naval Armaments Sub-committee of French delegation's views of France's ratio of capital ships; (ii) brief statement by Italian delegate accepting Mr. Hughes' scheme and 10 years' naval holiday.	561
506	MR. BALFOUR Washington Delegation Tel. No. 174	Dec. 16	Informs of State Department's intention to press M. Briand to abandon French delegation's attitude (see No. 505): indicates Mr. Hughes' views on French position.	562
507	TO MR. BALFOUR Washington Delegation Tel. No. 136	Dec. 17	Refers to Nos. 469, 496-7: desirability of restricting tariff discussions at Washington to general questions of principle: views on proposed tariff increases.	562
508	TO MR. BALFOUR Washington Delegation Tel. No. 137	Dec. 17	Explains H.M.G.'s objections to use of 'sovereignty' in resolution of Nov. 21 defining Powers' position with regard to China.	563
509	MR. BALFOUR Washington Delegation Tel. No. 180	Dec. 18	Refers to Nos. 496-7: explains reasons for granting some immediate increase in Chinese tariffs: indicates attitude to be taken by British Empire delegation.	564
510	SIR B. ALSTON Peking Tel. No. 464	Dec. 19	Reports resignation of Chinese Premier: Liang Shih-yi trying to form cabinet.	565
511	MR. BALFOUR Washington Delegation Tel. No. 182	Dec. 19	Refers to No. 475: points out importance attached by American opinion to solution of Shantung question and value of Wei-	565

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			haiwei in smoothing negotiations: its value as instrument for securing general settlement is more problematical.	
512	MR. BALFOUR Washington Delegation Tel. No. 183	Dec. 19	Transmits Japanese Govt.'s message of appreciation of his 20 years' service in maintaining friendly Anglo-Japanese relations and their hopes for its continuation: summarizes his reply.	566
513	MR. BALFOUR Washington Delegation Tel. No. 185	Dec. 19	Reports conversation with Mr. Hughes who argued against pressing for abolition of submarines and suggested an alternative approach.	567
514	TO MR. BALFOUR Washington Delegation Tel. No. 145	Dec. 21	Informs of H.M.G.'s attitude towards possible Russo-Japanese negotiations with regard to Siberia, and their moral obligations towards Russian refugees at Vladivostok.	568
515	TO MR. BALFOUR Washington Delegation Tel. No. 147	Dec. 22	Refers to No. 509 and hopes he will not depart from policy prescribed in No. 507 without reference to H.M.G.	569
516	MR. BALFOUR Washington Delegation Tel. No. 191	Dec. 22	Refers to No. 513: informs of arrangements made for discussing British case for abolition of submarines.	569
517	SIR M. HANKEY Washington Delegation	Undated	Letter to Mr. Lloyd George: outlines achievements of conference and outstanding questions: discusses vital importance of a Shantung settlement, difficulties of securing acceptance by U.S. Senate of Quadruple Treaty, France's attitude to naval proposals, Lord Riddell's influence, and his own position: draws comparison between Mr. Hughes and President Wilson.	569
518	TO MR. BALFOUR Washington Delegation Tel. No. 150	Dec. 23	Refers to No. 511: H.M.G. realize importance of Shantung question, but regard Weihaiwei as a separate problem, and think China should make some return for so substantial a concession.	573
519	MR. BALFOUR Washington Delegation Tel. No. 196	Dec. 23	Refers to No. 515: transmits draft agreement respecting Chinese customs tariff prepared by sub-committee of British Empire delegation: requests comments of Foreign Office and Board of Trade.	574
520	SIR B. ALSTON Peking Tel. No. 472	Dec. 24	Refers to No. 491: reports continued agitation and boycott at Amoy and his warning to M.F.A.	576
521	MR. BALFOUR Washington Delegation Tel. No. 200	Dec. 25	Reports conversation with Japanese ambassador relating to inclusion of main islands of Japan within scope of Quadruple Treaty, and date of ratification.	576
522	TO MR. BALFOUR Washington Delegation Tel. No. 152	Dec. 26	Informs of Italian Govt.'s request on Dec. 21 that British delegation be instructed to facilitate accession of Italy to Quadruple Treaty: sends proposed reply and suggests that Mr. Hughes be asked to deliver it	577

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
523	MR. BALFOUR Washington Delegation Tel. No. 201	Dec. 27	Transmits amendments to No. 519.	578
524	MR. BALFOUR Washington Delegation Tel. No. 202	Dec. 28	Refers to No. 508: argues in defence of retaining the word 'sovereignty' in China resolution.	579
525	MR. BALFOUR Washington Delegation Tel. No. 210	Dec. 30	Refers to Nos. 519 and 523: reports reception of draft Chinese tariff agreement by sub-committee of all delegations, Dec. 26: one French reservation to be discussed in full committee: tariff revision to be completed in four months.	580
526	SIR B. ALSTON Peking Tel. No. 481	Dec. 31	Refers to No. 520: reports interviews with M.F.A. and Premier, and intention not to attend President's reception, Jan. 1, as no effective action taken at Amoy: gives own views on need to resist boycott: requests authority to file claim against Chinese Govt. for losses incurred.	580
527	LORD HARDINGE Paris Tel. No. 984	Dec. 31	Draws attention to article by M. Millet suggesting French insistence on submarines is a move to secure British guarantee against German attack.	581
		1922		
528	TO SIR B. ALSTON Peking Tel. No. 1	Jan. 2	Refers to No. 526: approves action and authorizes filing of claim: asks for comments on <i>The Times's</i> report of incident.	582
529	MR. BALFOUR Washington Delegation Tel. No. 221	Jan. 4	Reports M. van Karnebeek's efforts to secure guarantee of Dutch Far East possessions: describes proposal of Jan. 3, agreed to by Mr. Hughes, for identic note to be sent by U.S., Great Britain, France, and Japan to The Hague: gives own comments.	582
530	SIR B. ALSTON Peking Tel. No. 6	Jan. 5	Refers to No. 528: gives details of disturbances at Amoy: reports on unfriendly reception of his personal appeals to M.F.A. for action.	583
531	MR. BALFOUR Washington Delegation Tel. No. 225	Jan. 5	Reports resumption of Shantung negotiations and Japanese delegation's instructions to insist on loan agreement; need impressed on Japanese and Chinese delegations for early settlement.	584
532	MR. BALFOUR Washington Delegation No. 103, enclosure	Jan. 5	Note of conversation between Mr. Balfour and Baron Kato on Jan. 4 relating to (i) arming of merchant ships, (ii) Japanese Govt.'s desire for exclusion of Japan's main islands from Quadruple Treaty, (iii) Shantung negotiations.	585
533	TO MR. BALFOUR Washington Delegation Tel. No. 174	Jan. 7	Refers to Nos. 519, 523, and 525: transmits views of Foreign Office and Board of Trade on Chinese tariff proposals.	587
534	SIR C. ELIOT Tokyo Tel. No. 5	Jan. 7	Reports conversation with M.F.A. who informed him of Govt.'s general satisfaction with conference so far, stated Govt.'s	588

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		view on need for direct Russo-Japanese settlement of Sakhalien question, reported no progress at Dairen conference, and expressed fear of Shantung negotiations proving useless through Chinese obstinacy.	
535 MR. BALFOUR Washington Delegation Tel. No. 233	Jan. 7	Message for Prime Minister at Cannes reporting that, unexpectedly, U.S. resolution condemning use of poison gas is to be considered by conference: discusses technical and political implications and reasons for British delegation's proposed support of resolution.	589
536 MR. BALFOUR Washington Delegation Tel. No. 238	Jan. 8	Informs of decision to show H.M.G.'s readiness to restore Weihaiwei to China, and gives reasons.	591
537 SIR B. ALSTON Peking Tel. No. 11	Jan. 9	Reports proposed detention of salt revenue at Chinkiang by unpaid Chinese sailors: requests despatch of gunboat: similar request being made to Japanese and French Govts. and note being sent to Chinese Govt. urging protection of bondholders.	591
538 MR. BALFOUR Washington Delegation Tel. No. 244	Jan. 10	Refers to No. 531: describes deadlock in Sino-Japanese Shantung negotiations and four alternative propositions submitted on Jan. 9 to both parties by British and U.S. observers.	592
539 To MR. BALFOUR Washington Delegation Tel. No. 186	Jan. 11	Refers to No. 529: agrees to suggested procedure: instructions to propose similar action at Lisbon as regards Timor.	593
540 To MR. PATON Vladivostok Tel. No. 3	Jan. 11	Informs of undesirability of encouraging British capital to participate in Suchan mining development.	594
541 MR. BALFOUR Washington Delegation Tel. No. 250	Jan. 11	Reports discussion with Mr. Hughes on scrapping of capital ships: requests authority to agree to immediate destruction of ships which H.M.G. have agreed ultimately to scrap.	594
542 MR. BALFOUR Washington Delegation Tel. No. 257	Jan. 12	Refers to No. 541: explains his agreement to revised proposal for scrapping of capital ships in two stages: withdraws request in No. 541: asks whether Admiralty insist on retention of 'Colossus' and 'Collingwood' as training ships: gives own views.	595
543 To MR. BALFOUR Washington Delegation Tel. No. 189	Jan. 13	Tel. from Mr. Churchill transmitting Admiralty's views on scrapping of capital ships as in No. 541: suggests 3 years' time limit: stresses reasons for retention of 3 depot ships and 1 target ship.	596
544 To MR. BALFOUR Washington Delegation Tel. No. 190	Jan. 13	Tel. from Mr. Churchill presuming that H.M.G.'s freedom of action in regard to Singapore has been preserved in 3-Power agreement on naval ratio (cf. No. 504, n. 3).	596
545 MR. BALFOUR Washington Delegation Tel. No. 261	Jan. 13	Describes position with regard to outstanding point in 3-Power naval agreement, i.e. that relating to <i>status quo</i> in	597

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		fortifications and naval bases in Pacific: Japanese Govt.'s acceptance of British plan awaited.	
546 MR. BALFOUR Washington Delegation No. 14	Jan. 13	Gives appreciation of naval section's work: reports discussions on (i) Mr. Root's resolutions relating to submarines, (ii) Poison Gas Committee's report, (iii) Signor Schanzer's resolution on bombing of undefended towns and buildings.	598
547 SIR A. GEDDES Washington No. 37	Jan. 13	Reviews evolution of U.S. public opinion in relation to conference and the participating powers, especially France, Japan, and Great Britain: discusses Senate's attitude and preoccupations of businessmen.	601
548 SIR C. ELIOT Tokyo	Jan. 13	Letter to Lord Curzon: discusses general satisfaction of Japanese at results of conference, gives own views on possible re-appearance of old military spirit, end of Anglo-Japanese Alliance, and position of Crown Prince, now installed as Regent.	606
549 TO SIR B. ALSTON Peking Tel. No. 17	Jan. 14	Informs of note sent to Chinese Chargé d'Affaires on receipt of No. 530: asks whether despatch of gunboat to Amoy would assist in bringing Govt. to reason.	609
550 MR. BALFOUR Washington Delegation Tel. No. 266	Jan. 14	Refers to No. 542: explains difficulty in amending agreement on scrapping of capital ships and comments on suggestions in No. 543: declares intention to retain 'Colossus' and 'Collingwood' if possible.	609
551 MR. BALFOUR Washington Delegation Tel. No. 268	Jan. 14	Refers to No. 544: explains position concerning exclusion of Singapore from area proposed for application of <i>status quo</i> .	610
552 TO MR. BALFOUR Washington Delegation Tel. No. 198	Jan. 17	Informs of procedure desirable for ratification of Quadruple Pacific Treaty (see No. 499).	610
553 SIR B. ALSTON Peking Tel. No. 20	Jan. 18	Refers to No. 537: reports (i) further note to Chinese Govt. warning of consequences of interference with central salt administration, (ii) extension of such interference and consequent verbal representations to M.F.A.: suggests Paris and Tokyo be urged to authorize naval demonstration.	611
554 SIR B. ALSTON Peking Tel. No. 21	Jan. 18	Refers to No. 553: informs of reported threat to seize Hupei customs revenues: recommends naval demonstration in Yangtse, with or without French and Japanese co-operation.	612
555 SIR C. ELIOT Tokyo Tel. No. 19	Jan. 18	Reports information from Japanese Ministry of War about work on fortifications on Japanese islands.	612
556 SIR C. ELIOT Tokyo Tel. No. 20	Jan. 18	Reports M.F.A.'s pessimism concerning possibility of agreement on Shantung and fortifications of Pacific islands (cf. No. 555).	613
557 MR. BALFOUR Washington Delegation Tel. Unnumbered	Jan. 19	Repetition of tel. No. 2 to Peking informing Sir B. Alston of U.S. chairman of sub-committee's wish that he should co-operate	613

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		with U.S. colleague in discussions with Chinese Government on future of Chinese Eastern Railway: difficulties anticipated and U.S. proposals.	
		<i>Note 3.</i> Sir B. Alston's reply (tel. No. 5 of Jan. 25 to Washington delegation).	614
558 MR. BALFOUR Washington Delegation Tel. No. 278	Jan. 20	Gives his opinion on requesting Chinese Govt. to give H.M.G. right to use Weihaiwei as summer sanatorium for fleet: suggests possible procedure and asks for H.M.G.'s views.	615
559 MR. BALFOUR Washington Delegation Tel. No. 281.	Jan. 20	Reports position with regard to discussion of laws of war, and the drafting of resolution confined to misuse of new agencies of warfare.	616
560 MR. BALFOUR Washington Delegation Tel. No. 290	Jan. 22	Repetition of tel. No. 3 to Peking informing of agreement in Shantung conversations on all questions except salt and railway and summarizing Japanese terms: instructs, after consultation with U.S. colleague, to urge Chinese Govt.'s acceptance: gives arguments to use.	617
561 SIR B. ALSTON Peking Tel. No. 26	Jan. 23	Refers to No. 558: explains why whole island of Liukungtao and portion of mainland should be given 'treaty port' status with an international settlement if Weihaiwei became naval sanatorium.	619
562 TO SIR B. ALSTON Peking Tel. No. 25	Jan. 24	Refers to Nos. 553 and 554: suggests desirable to postpone demonstration until critical stage of Shantung negotiations (see No. 560) passed: deprecates separate British action proposed in No. 554.	619
563 MR. BALFOUR Washington Delegation Tel. No. 294	Jan. 24	Reports conversations with Mr. Hughes and Baron Kato relating to definition of <i>status quo</i> in Pacific following Japanese rejection of British plan in No. 545: proposes to accept Japanese draft article 19 embodying British and U.S. amendments including exclusion of Singapore.	620
		<i>Note 4.</i> Draft article 19 of naval treaty.	621
564 MR. BALFOUR Washington Delegation Tel. No. 299	Jan. 24	Explains circumstances leading to despatch of No. 560 and results hoped for.	621
565 MR. BALFOUR Washington Delegation Tel. No. 304	Jan. 26	Refers to Nos. 558 and 561: proposes procedure for offering to restore Weihaiwei (see No. 558) and emphasizes undesirability of discussing detailed arrangements at Washington: requests H.M.G.'s approval.	622
566 MR. BALFOUR Washington Delegation Tel. No. 305	Jan. 26	Replies to enquiry whether draft naval treaty precluded sale of surplus vessels to Brazil by informing of Jan. 25 resolution prohibiting disposal of all surplus warships as from that date.	623
567 TO SIR B. ALSTON Peking Tel. No. 29	Jan. 27	Summarizes views sent to Colonial Office on possible loss of trade should Weihaiwei revert to China as treaty port: enquires	623

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			whether these views affect opinion in No. 561.	
568	TO MR. BALFOUR Washington Delegation Tel. No. 228	Jan. 30	Relates action taken on No. 565; informs of H.M.G.'s intention to endorse its contents relating to Weihaiwei subject to Colonial Office's concurrence and Sir B. Alston's observations. <i>Note 5.</i> Concurrence of Colonial Office received.	624
569	SIR B. ALSTON Peking Tel. No. 36	Jan. 31	Refers to Nos. 558, 565 and 567; discusses possible alternatives for Weihaiwei: favours return to China on condition of treaty port status and railway connection with hinterland.	624
570	MR. BALFOUR Washington Delegation Tel. No. 315	Jan. 31	Transmits tel. No. 6 of Jan. 26 from Peking in reply to No. 560: Chinese M.F.A. had explained delay in decision on Japanese terms for Shantung settlement as due to absence of Premier: Sir B. Alston had urged acceptance.	625
571	MR. BALFOUR Washington Delegation Tel. No. 316	Jan. 31	Transmits tel. No. 7 of Jan. 26 from Peking, referring to No. 570 and reporting Chinese Govt. still hope for concessions but, if not obtained, Chinese delegation authorized to accept terms in No. 560.	626
572	MR. BALFOUR Washington Delegation Tel. No. 324	Feb. 2	Reports proceedings of 5th plenary session of conference on Feb. 1, including Japanese and Chinese statements of satisfaction at Shantung settlement, followed by own announcement of restoration to China of Weihaiwei.	627
573	TO MR. BALFOUR Washington Delegation Tel. No. 233	Feb. 2	Transmits substance of Admiralty memo. on requirements for agreement with Chinese Govt. on use of Weihaiwei during summer months.	628
574	MR. BALFOUR Washington Delegation Tel. No. 325	Feb. 2	Reports failure of his attempt to secure re-affirmation of China arms embargo owing to Italian Govt.'s reservation respecting outstanding contracts: question now to be dealt with through ordinary diplomatic channels.	629
575	MR. BALFOUR Washington Delegation Tel. No. 326	Feb. 2	Reports favourable impression at Washington of announcement on return to China of Weihaiwei and its probable effect on Senate's ratification of Far Eastern treaties.	630
576	SIR C. ELIOT Tokyo Tel. No. 30	Feb. 2	Reports (i) M.F.A.'s satisfaction at results of Washington conference, (ii) attitude of press towards recognition of Japan's right to station troops in Siberia, (iii) unenthusiastic reception of Prince Tokugawa, (iv) state of Russo-Japanese negotiations at Dairen.	631
577	SIR J. JORDAN London	Feb. 2	Letter to Sir W. Tyrrell: gives his views on Chinese tariff discussions at Washington conference; differences of opinion due largely to political character of question; warns against ignoring British commercial	632

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		interests in China at meetings of Shanghai Committee; emphasizes vital importance of recognition of equality of treatment for land- and sea-borne goods.	
578 To MR. BALFOUR Washington Delegation Tel. No. 237	Feb. 3	Message of congratulations to Mr. Balfour and all members of British delegation.	634
579 MR. BALFOUR Washington Delegation No. 23	Feb. 4	Outlines conference's discussions on future of Chinese Eastern Railway: points out difficulty in reconciling respect for Chinese sovereign rights with international control, and impossibility of estimating effect of China's rejection of practical scheme of foreign assistance.	634
580 MR. BALFOUR Washington Delegation No. 24	Feb. 4	Gives detailed statement of main reasons which led him to announce H.M.G.'s abandonment of Weihaiwei (see No. 572).	636
581 SIR B. ALSTON Peking Tel. No. 44	Feb. 6	Reports messages of appreciation and thanks from Chinese Govt. to H.M.G., Mr. Balfour and British delegation for good offices in connexion with Shantung settlement.	640
582 SIR B. ALSTON Peking Tel. No. 45	Feb. 6	Reports conversation with M.F.A. on continuation of boycott at Amoy (see Nos. 526 and 530) and implied endorsement of local officials' conduct by Central Govt.	640
583 MR. BALFOUR Washington Delegation Tel. No. 338	Feb. 6	Reports sending to Chinese delegation on Feb. 3 confirmation of statement on Weihaiwei (see No. 572) and general indication of Admiralty's <i>desiderata</i> in No. 573: considers local Chinese commission might conveniently deal with these matters.	641
584 MR. BALFOUR Washington Delegation Tel. No. 340	Feb. 6	Reports <i>impasse</i> in Chinese Eastern Railway discussions and Mr. Root's 'shelving' resolution (cf. No. 579): summarizes instructions to U.S. Minister at Peking on suggestions to make relating to Chinese administration of the railway: informs of State Dept.'s desire for co-operation of Sir B. Alston with U.S. colleague.	642
585 MR. BALFOUR Washington Delegation No. 27	Feb. 6	Reports on final session of conference held that morning: compares aims of British delegation (see No. 415) with conference's achievements: discusses contributions especially of President, Mr. Hughes, and British Empire delegation.	643

CHAPTER I
General Correspondence, &c.
April 3–July 9, 1920

No. 1

Earl Curzon to Mr. Alston¹ (Tokyo)

No. 106 Telegraphic [F 334/2/10]

Very urgent

FOREIGN OFFICE, April 3, 1920²

Your telegrams Nos. 106 and 107.³

His Majesty's Government are prepared to agree to the compromise proposed provided the American and French Governments agree, although we consider that in agreeing to Japan's wishes to the East of the South Manchurian Railway we have already gone a very long way to meet them and we still consider that they might have been satisfied with the general assurance to which we have already offered to subscribe.⁴

Repeated to Washington and Paris for the information of the American and French Governments. Please repeat to Peking. Repeated to Washington No. 317.

¹ Mr. Alston, H.M. Minister and Chargé d'Affaires at Tokyo, had been appointed H.M. Minister at Peking on March 1, 1920, but did not assume charge of the Legation there until April 15.

² The time of despatch is not recorded.

³ Vol. VI, Nos. 792 and 793 respectively. These telegrams related to the conditions of Japanese participation in the proposed new financial consortium in China.

⁴ For this assurance, see *ibid.*, No. 782.

No. 2

Mr. Lamson¹ (Peking) to Earl Curzon (Received April 6, 1.30 p.m.)

No. 188 Telegraphic [F 409/2/10]

Very urgent

PEKING, April 5, 1920, 9.45 p.m.

Tokio telegram No. 113.²

Mr. Lamont is not due for some days,³ and I therefore offer following preliminary observations; but I have not yet received text of Japanese memorandum.⁴

¹ First Secretary, H.M. Legation, Peking; acting Chargé d'Affaires, March 2–April 15, 1920.

² Vol. VI, No. 803.

³ Mr. Thomas W. Lamont, partner in J. P. Morgan & Co. of New York and representative of the American banking group in the proposed financial consortium in China, had been visiting Japan to discuss Japanese participation in the consortium. For his negotiations in Japan, see *ibid.*, Nos. 762, 765–6, 768, 783–6, 791–6, and 802.

⁴ Printed as No. 29 in Cmd. 1214 of 1921.

If I understand position correctly His Majesty's Government are giving Japan a form of general assurance avoiding all allusion to specified areas (Foreign Office telegram to Tokio No. 86.)⁵ Mr. Lamont in the meantime has proposed definition in writing of certain railways in South Manchuria to be excluded from a consortium—Tokio telegram No. 106.⁶

I am convinced that general form of assurance proposed by His Majesty's Government—and apparently acceptable to Japan (Tokio telegram No. 112)⁷—is far preferable politically and less objectionable⁸ from Chinese point of view which is a serious factor that has still to be reckoned with and will certainly be hostile to any policy of expansion. I admit that there is little objection from the commercial point of view to the exclusion of lines mentioned. South Manchuria is already comparatively well served and consortium will presumably find more remunerative and more urgent need for constructive enterprise elsewhere in China for some time to come, e.g., Hankow—Canton, Peking . . .⁹ etc.

As regards the two Japanese proposals put forward in Tokio telegram No. 112 I submit following observations:

1. *Linking of Taonan-Jehol railway with Chinese Eastern Railway.* It would be most unwise if consortium were to bind themselves to securing prior consent of Japanese Government before deciding on such an enterprise. Japan undoubtedly harbours designs upon Chinese Eastern Railway, upon Eastern Mongolia and Northern Manchuria. Against this, China is at the moment busy consolidating her hold upon Chinese Eastern Railway as the grasp of Russia relaxes, and she would violently and rightly resent anything savouring of admission of a Japanese voice in affairs of Chinese Eastern Railway. Further I feel Japan should not be placed in a position to veto construction . . . form¹⁰ a commercial outlet to Eastern Mongolia and Northern Manchuria and a valuable alternative route to South Manchurian Railway. Possible connection northward with Amur Railway by Pinhei route *via* Tsitsihar must also not be overlooked. Presumably consortium would only build line if it were commercially (? proposed.)¹¹

2. As regards Japan's plea for permission to construct single-handed Taonan-Jehol line, it is connecting link to port, presumably Hulutao, on Gulf, and I see serious objection.¹² Apart from other considerations, this in effect will eventually connect up with Peking and it is pre-eminently a line for international enterprise and control; construction by Japan single-handed

⁵ Vol. VI, No. 782.

⁶ Ibid., No. 792.

⁷ This telegram was not received in the Foreign Office; see *ibid.*, No. 803, n. 1.

⁸ The text received at Tokyo read: 'preferable, however politically and economically objectionable'.

⁹ The text is here uncertain. Another text in the Foreign Office and that received at Tokyo here read: 'Peking—Kiachta, etc.'

¹⁰ The text is here uncertain. The text received at Tokyo read: 'position to construct what would form'.

¹¹ In another text of the telegram this word read 'attractive'.

¹² The text received at Tokyo read: 'Taonanfu-Jehol railway and its connecting link to a port, presumably Hulutao, on the gulf, I see various objections.'

is most inadvisable politically and would lead to domination of capital. If line were Consortium enterprise we could not object to legitimate competition with Peking-Mukden railway entailed; but in the hands of Japan alone it would be serious menace; moreover, with through connection from north, line will almost inevitably pending construction of Ki . . .¹³ route, replace South Manchurian Railway and Peking-Mukden line as main artery of transcontinental traffic.

I trust therefore that two Japanese . . .s¹⁴ in question will be shelved. Neither of them can legitimately be pressed.

Repeated to Tokio.

¹³ The text is here uncertain. Another text read 'Kiachta'.

¹⁴ The text is here uncertain. Another text read 'Japanese reservations'.

No. 3

Mr. Lampson (Peking) to Earl Curzon (Received April 7, 1.45 p.m.)

No. 190 Telegraphic [F 415/2/10]

PEKING, April 6, 1920, 12.35 p.m.

My telegram No. 188.¹

Negotiations with Chinese in regard to Consortium will presumably begin in the near future. So far as I can gather there are four distinct parties to be considered and it may be useful to try and estimate their probable attitude.

1. Military Party, headed by Tuan Chi-jui,² is under heavy financial obligations to Japanese Government and will probably be obliged to follow the lead of Military Party in Japan.

Minister of Finance and Minister of Communications belong to this group. They are desperately pressed for funds, but it is generally believed that they are in general opposed to any international loan to which substantial conditions are attached.

2. Premier's party, which represents moderate wing of Tuan Chi-jui's party. They favour Consortium and would probably accept money on almost any terms as only means of retaining office.

3. Progressive Party which is out of office but influential in Peking. They believe country can only be united by providing funds for hurrying on railway construction and disbandment³ under effective control from lending Powers.

4. Industrial Party, including men of great influence and standing amongst commercial and industrial classes throughout the country. They are strongly opposed to any loan at present. They hold that Government is utterly corrupt

¹ No. 2.

² Marshal Tuan Chi-jui, former Prime Minister (1916-18), dominant figure in the Anfu Club and a leader of the Anhwei faction of military leaders in North China: cf. No. 66 below, n. 4.

³ i.e. the disbandment of Chinese troops: cf. Vol. VI, p. 572.

and unrepresentative of country, that disbandment could not be carried out effectively; that money would indirectly strengthen military Party and Tuchuns⁴ and postpone any healthy re-adjustment such as might otherwise be hoped for from natural causes; that Japan can no longer afford to finance Tuan Chi-jui and that he may be forced to strike a sudden blow for power if Consortium fails; but that militarists are not strong enough to do any great harm and that they could not hold out long. This party would only agree to advance of small controlled sums at regular periods for specific work on railways. They will probably exercise considerable indirect influence on Government and it will be important to distinguish between their opposition and such as may arise from military Party.

Repeated to Tokio.

⁴ i.e. the Military Governors of Chinese provinces.

No. 4

Mr. Lampson (Peking) to Earl Curzon (Received April 8, 9.45 a.m.)
No. 192 Telegraphic [F 419/22/10]

PEKING, April 7, 1920, 2.35 p.m.

Your telegram No. 120. Tibet.¹

As reported in my telegram No. 119,² Minister for Foreign Affairs has formally declared that no invasion of Tibetan territory from Kokonor is intended.

I presume Kansu Mission is now in Lhasa.³ Though Minister for Foreign Affairs has denied that it represents Central Government (see Sir J. Jordan's telegram No. 652 December 27th)⁴ I think that immediate despatch of officer by Government of India is very desirable with a view to lending Tibet moral support and showing Chinese that we are in earnest and I suggest that I might be authorised to inform Chinese Government that this is being done in response to invitation from Tibetan Government as result of Kansu Mission and China's continued refusal to resume tripartite negotiations.⁵ China doubt-

¹ Vol. VI, No. 804.

² Of March 4, see Vol. VI, No. 753, n. 3.

³ For the Kansu Mission, see Vol. VI, No. 643. The Kansu Mission was in Lhasa from Jan. 15 to April 27, 1920.

⁴ Vol. VI, No. 643. Sir J. Jordan had been H.M. Minister at Peking, 1906-March 1920.

⁵ A letter of April 9 from the Foreign Office to the India Office contained the following passage: 'Lord Curzon feels that it would be useless to press the Chinese to renew the negotiations for a settlement of the Tibetan question for the following reasons:

'1. The Chinese have recently re-acquired Mongolia and the territory of Barga and are attempting to oust the Russians from the Chinese Eastern Railway. They are consequently not in a mood to make concessions.

'2. The Japanese have requested them to enter into negotiations about Shantung, but the Chinese do not appear to have any intention of doing so, counting on American support for their attitude. It would therefore be very difficult for the Chinese to agree to continue the Tibetan negotiations whilst maintaining their refusal to negotiate with the Japanese.'

It added: 'As Sir John Jordan will be in London by the end of April, Lord Curzon suggests

less hopes that if she procrastinates long enough Tibet will lose faith in us while one thing she fears is our entering into closer relations with Tibet independently of her.

I therefore request instructions as to whether I should in renewing formal warning against raids into Tibet at the same time inform Minister for Foreign Affairs of despatch of officer from India to Lhasa.

His Majesty's Consul General at Chengtu reports acute tension between Szechuen and Yunnan, so that there does not appear to be any immediate danger of Chinese aggression against Tibet from that direction.

that any further action in the above connection might be deferred until Sir John can be consulted in the matter.' For the Anglo-Chinese negotiations of 1919 regarding Tibet, see Vol. VI, Chap. II, *passim*, and especially Nos. 453, 468, 479, 549, and 610.

No. 5

Mr. Lampson (Peking) to Earl Curzon (Received April 8, 12.15 p.m.)

No. 193 Telegraphic [F 425/19/10]

PEKING, April 7, 1920, 11 p.m.

Your telegram No. 104 to Tokio.¹

As seen from Peking only British interest that now remains in Allied Railway Committee at Vladivostock is an indirect one, namely the ultimate fate of Chinese Eastern Railway; and maintenance of Technical Board at Harbin should suffice for our purpose for the time being and until Czechs have been withdrawn, which is now estimated roughly at end of June.

Apart from questions of Siberian policy, the only point that arises is whether retention of British Representative on subordinate Technical Board can be justified if we withdraw from the main Committee at Vladivostock.²

Recent developments indicate that the question of Chinese Eastern Railway may settle itself sooner than was anticipated. Chinese show every sign of determination to take full possession. So far Japan has apparently made no movement, but we know that the question is one of special interest to her and it would therefore be rash to assume that she will remain inactive. She still has troops in Trans-Baikalia and a brigade in Manchuria station besides small detachments along the line westward from Harbin.

Repeated to Tokio, Vladivostock.

¹ Vol. VI, No. 799.

² Mr. Hodgson, H.M. Commercial Counsellor in Russia, had temporarily ceased to attend meetings of the Inter-Allied Railway Committee; cf. *ibid.*, No. 781. He resumed his seat on the Committee in consequence of the Japanese actions reported in No. 7 below.

No. 6

Mr. Lampson (Peking) to Earl Curzon (Received April 9)¹

No. 198 Telegraphic [F 436/2/10]

Very urgent

PEKING, April 8, 1920, 5 p.m.

My telegram No. 188.²

From your telegram No. 106 to Tokio³ a corrupt passage in Tokio telegram No. 107⁴ (? is) cleared up and I learn for first time, that your intention was to include, under Consortium, all railways west of South Manchurian Railway.

This compromise, if compromise there must be, is soundest and that which I should have recommended had my views been desired beforehand. But I remain convinced that general form of assurance put forward by His Majesty's Government, and apparently acceptable to Japan, is only solution, if we wish to avoid disappointment.

Under Lamont's compromise, Japan practically obtains exclusions from scope of Consortium for which she originally asked. In eyes of Chinese, who after all count for something, this will constitute direct negation of policy of abolition,⁵ on which we have laid so much stress.

Chinese are already on the alert and indications of opposition are growing. Cabinet, desperately keen though they are to place funds,⁶ will hardly have courage to conclude (? agreement) which would regularise Japanese claims (? with regard to) South Manchurian Railway. Chinese thought runs on line that Japan while outwardly yielding has in fact got round Lamont so that onus of obstructing Consortium will now fall on China and no longer on Japan. China would prefer no Consortium at all to one which definitely recognizes certain national rights as earmarked for a foreign country.

Repeated to Tokio.

¹ The time of receipt is not recorded.

² No. 2.

³ No. 1.

⁴ Vol. VI, No. 793.

⁵ In the Foreign Office the words 'of spheres of interest' were inserted after 'abolition'.

⁶ In the Foreign Office this passage was corrected to 'to be placed in funds'.

No. 7

Mr. Lampson (Peking) to Earl Curzon (Received April 14, 5 p.m.)

No. 208 A Telegraphic [F 518/19/10]

PEKING, April 12, 1920, 3.50 p.m.

Following received from Harbin, No. 117 April 10th:

Following is latest information given to me by General B[eckett]:¹

¹ British representative on the Inter-Allied Technical Board of the Chinese Eastern Railway at Harbin. See Vol. VI, No. 799.

Japanese troops have taken control over Manchuria, Hailar, Buhedu,² and Tsitsuhar [*sic*] stations. At Hailar they have arrested eleven members of Russian station staff including assistant station-master and are reported to have shot three of them. Japanese troops at Hailar number five hundred and there is an equal number of Semenov's³ men there armed by Japanese.

General B. is firmly convinced that Japanese intention is to take control over whole of Chinese Eastern Railway under the pretext of securing their communications, and that unless prompt action is taken we shall be faced with an accomplished fact.⁴

² In the Foreign Office it was suggested that this should read 'Buhatu'.

³ Ataman Semenov was a White Russian Cossack leader; cf. Vol. III, Chap. II, *passim*.

⁴ In his telegram No. 213 of April 14 (not printed) Mr. Lampson endorsed Gen. Beckett's view and concluded: 'it certainly looks as though incident had been deliberately provoked by Japanese'.

No. 8

Sir C. Eliot¹ (Tokyo) to Earl Curzon (Received April 18, 10.30 p.m.)

No. 137 Telegraphic [192504/11/57]

TOKYO, April 15, 1920, 3 p.m.

Minister of War definitely assured Military Attaché to-day that there was no ulterior motive to action recently taken by Japanese in Siberia,² disarmament of Russians being considered necessary as a (? military) precaution in view of recent experience at (? Nicolaievsk).³ His Excellency further stated that Japan has absolutely no intention whatever of permanently occupying Siberian territory, and that Japanese troops will be withdrawn as soon as recognised Russian Government has been established, peace and order restored and all menace to Korea and Manchuria removed.

¹ H.M. Ambassador at Tokyo.

² See No. 9 below.

³ In March 1920 a number of Japanese residents and soldiers at Nicolaievsk had been massacred by Communist partisans.

No. 9

Mr. Hodgson¹ (Vladivostok) to Earl Curzon (Received April 19, 6 p.m.)

No. 96 Telegraphic [192798/11/57]

VLADIVOSTOK, April 16, 1920, 3.40 p.m.

My telegram No. 89.²

Occupation of all military centres from Habarovsk to Nikolsk and Vladivostok is now completed, Russian troops being in most cases taken by surprise

¹ See No. 5, n. 2.

² Of April 8, not printed. In this telegram Mr. Hodgson had reported that on the night of April 4-5 Japanese troops had effected the military occupation of Vladivostok and that the Japanese authorities had given orders for similar action to be taken at all points in the maritime provinces where there was a possibility of collision between Japanese and Russian troops.

and allowing themselves to be disarmed without resistance, but there was heavy fighting at Habarovsk and Nikolsk.

Japanese casualties probably total nearly 2,000.³ Considerable Russian detachments succeeded in escaping into the hills. Telegraphic communication with interior is still interrupted. Damage to Railway line is being repaired and serious delay to . . .⁴ evacuation is no longer feared but Russian Railway servants so far refuse to return to work. Apparently to meet eventually having to operate railway themselves Japanese have brought here General Hoshino recently Chief of Field Communications in Trans-B[a]ikal. Statements published by Japanese in support of their *coup* of April 5th are as remarkable for their ineptitude as for their mendacity and indeed Japanese attitude throughout has been marked by complete absence of sequence of ideas. Having bombarded Zemst[v]o buildings⁵ which was harmless and undefended, allowed reactionary officers to be released from prison, torn down (? Red) flags from prominent places and public buildings to substitute for them their own and expended much ammunition without any apparent objection,⁶ they were without any plan for further action, had to beg Zemst[v]o Government to resume its duties, hauled down Japanese flags and repudiated any association with reactionary parties. They have however utilized their position in order to deal with strong anti-Japanese organisations among local Koreans.

Though Japanese movement has aroused a violent press campaign and afforded opportunities for much indignant rhetoric, yet I do not consider Russian *amour-propre* has been wounded to extent that . . .⁴ demands. The professional and Commercial classes do lip-service to their outraged national pride but console themselves by pleading that their position and property are secure; the mass of the population, demoralised by three years' chaos, have no more capacity to react against political changes; peasants are indifferent provided that their economic position is improved and they are protected from depredations of partisans. Only town workmen, who looked forward to Soviet rule, are inconsolable.

Opinion is universal that it is the duty of Allies, who are responsible for presence of Japanese in Siberia, to put a term to present situation, and much capital is being made out of this latest instance of dismemberment of Russia. I request instructions by telegraph whether I should take an opportunity of disassociating Great Britain from Japan's act.⁷

Repeated to Peking, Tokyo and Harbin.

³ In his immediately following telegram, No. 97 of April 16 (not printed), Mr. Hodgson considered this figure to '1,000'.

⁴ The text is here uncertain.

⁵ i.e. the building belonging to the Russian elective provincial council which on Jan. 31, 1920, had proclaimed a provisional democratic regime in Vladivostok; see Vol. VI, Nos. 704 and 790.

⁶ Amended in Confidential Print, circulated for official use, to read 'object'.

⁷ In his telegram No. 47 of April 23 (not printed) Lord Curzon said that he was in consultation with the French and U.S. Governments and with H.M. Ambassador at Tokyo, and that pending instructions Mr. Hodgson should take no action.

No. 10

Lord Hardinge¹ to Sir C. Eliot (Tokyo)

*No. 122 Telegraphic [F 498/2/10]*²*

FOREIGN OFFICE, April 16, 1920, 4 p.m.

Your telegram No. 113 of 1st April.³

I received on 14th April from Japanese Ambassador a memorandum⁴ in answer to my memorandum of 19th March,⁵ which is similar in terms to memorandum handed by Japanese Ambassador at Washington to the State Department on 3rd April.⁶ Most of the memorandum appears to be unobjectionable. It states that Japanese Government withdraw their request for formula and will be satisfied with an assurance such as we have already expressed our readiness to give (see my telegram No. 86 of 19th March).⁷

As regards point (1), however, Japan practically asks a right to veto the construction of a line from Taonan-Fu to the Chinese Eastern Railway. Although in 1910 we recognised that the Chin-Chou-Aigun scheme could not be undertaken without consulting Japan (see Foreign Office telegram to Peking No. 23 of 5th February, 1910,⁸ print volume 'Railways in China')⁹ and we would not wish to do anything in conflict with her vital interests now, yet conditions have changed and we are now to work in co-operation rather than in competition and it would be difficult to bind ourselves in this respect.

Point (2) appears to be superfluous, as this is already provided for in article 4 of the Inter-Group Conference at Paris, 12th May, 1919¹⁰ (see Confidential print 'China Loans,' 20th May, section 2).⁹

Above views were mentioned informally to Counsellor of United States Embassy,¹¹ who asks us to await United States views before replying to Japanese memorandum.

(Addressed to Tokyo, No. 122, for repetition to Peking; repeated to Washington, No. 353; and to Paris, No. 461, for the confidential information of the French Government.)

¹ Permanent Under-Secretary of State for Foreign Affairs. Lord Curzon had left London for the Conference of San Remo (April 18–26, 1920); for which see Vol. VIII, Chap. I.

² *Note.* Throughout this volume an asterisk after the file number denotes that the document has been printed from Confidential Print; see Preface, p. viii.

³ Vol. VI, No. 803.

⁴ Cmd. 1214 of 1921, No. 29; cf. No. 2.

⁵ *Ibid.*, No. 28.

⁶ See *F.R.U.S.* 1920, vol. i, pp. 523–6.

⁷ Vol. VI, No. 782; cf. Nos. 1, 2, and 6 above.

⁸ This telegram related to Japanese and Russian interest in the Chin-Chou-Aigun railway scheme.

⁹ The reference is to documents printed for the use of the Foreign Office.

¹⁰ For the minutes of this conference, see Cmd. 1214 of 1921, No. 11, enclosure 1.

¹¹ Mr. Butler Wright.

No. 11

*Lord Hardinge to the Earl of Derby*¹ (Paris)

*No. 462 Telegraphic: by bag [F 498/21/10]**

Confidential

FOREIGN OFFICE, April 16, 1920

My telegram No. 122 of 16th April to Tokyo.²

Counsellor of United States Embassy called to-day to say that State Department concurred in our view. They agreed in thinking that this was a last effort on the part of Japan who would give way if met by a united front. Japan was attempting to obtain more than had been agreed upon and laying down claims which might be used later as a basis for further activities in Manchuria and Mongolia. United States would welcome any suggestion from us as to form and manner of further representations to the Japanese. A reply on similar lines, but in different language, from each of the three Governments concerned appeared to us most suitable in the circumstances.

Please approach French Government and endeavour to obtain their concurrence as soon as possible whilst Mr. Lamont is still in Peking.

(Repeated to Washington, No. 355 and to Tokyo, No. 123, for repetition to Peking.)

¹ H.M. Ambassador at Paris.

² No. 10.

No. 12

Mr. Alston (Peking) to Earl Curzon (Received April 18, 2 p.m.)

No. 218 Telegraphic [F 545/2/10]

Very urgent

PEKING, April 17, 1920, 2.10 p.m.

Consortium.

Mr. Lamont, whose time here is limited, telegraphed yesterday to Washington his belief that Japanese Government threaten to deliberately delay(ing their *sic*)¹ final answer until his return to Tokio in order to prevent accomplishment of his Mission here. My French and United States colleagues concur with him that if his visit is to have any result the time has arrived for considering formation of Three Power consortium—as foreshadowed in (? your despatch)² second paragraph.

I agree, but in order to give time to receive your instructions on the point I stipulated that if any such project is approved by our respective Governments announcement should be made only if Japanese Government failed to notify their adherence to consortium within the next few days.

Japanese Minister assured me yesterday that Japanese Government would

¹ Thus in filed copy. The text received at Tokyo read: 'Japanese Government were deliberately delaying their final answer'.

² In the Foreign Office it was suggested that the reference should be to Tokyo telegram No. 107 (Vol. VI, No. 793).

authorise their groups to subscribe to consortium confirming the impression which I carried away from Tokio, but bare rumour that Three Powers are contemplating proceeding alone should accelerate matters.

Chinese Government have so far given Mr. Lamont no indication of their (? attitude.)

Repeated to Tokio.

No. 13

*Sir A. Geddes¹ (Washington) to Earl Curzon (Received April 22, 12.5 p.m.)
No. 286 Telegraphic [F 604/19/10]*

WASHINGTON, April 21, 1920, 1.58 p.m.

Your telegram No. 360.²

State Department are unable to express any definite views on the question but I gather unofficially they are unlikely to take any action in immediate future. They feel that (a) fact that evacuation of American troops is now complete while American railway personnel have reached Manchuria together with Czech troops, (b) fact that Sino-Japanese Military Convention of 1918³ affords some pretext for Japanese control of Chinese Eastern Railway, makes it difficult for any direct protest to be addressed to Japan.

At the same time they are profoundly concerned as to future and are inclined tentatively to favour suggestion put forward by Lamont that railway should be financed by Consortium and operated under Chinese Government as trustees for Russians and with due consideration for interests of French Capitalists.

But for immediate future they are disposed to rely on clause in Inter-Allied railway control agreement of January [? February]⁴ 1919, stipulating that railway should be held in trust for Russians.

I must repeat that above views are purely tentative and unofficial, originating with head of Far East Division and that there is no question of any considered policy having been evolved.⁵

I did not fail to represent that Hailar incident emphasised the importance of maintaining Allied control of Commission at Harbin (see my telegram No. 223)⁶ as long as possible. But it is very doubtful if United States Government will consent to retain Stevens⁷ there after evacuation of Czechs is complete.⁸

¹ H.M. Ambassador at Washington.

² Of April 17, not printed. This had asked for the U.S. Government's views on Peking telegram No. 213 of April 14 (see No. 7, n. 4) and reported that the U.S. Chargé d'Affaires had suggested that his government should protest 'against Japanese aggression on Chinese Eastern Railway'.

³ For the terms of this Convention, see MacMurray, vol. ii, pp. 1407-15.

⁴ See Vol. III, No. 256, Annex B and n. 8; also No. 27 below, n. 5.

⁵ For an account of the interview at which these views were stated, see *F.R.U.S. 1920*, vol. i, pp. 685-6. ⁶ Of March 22, not printed. For the Hailar incident, see No. 7.

⁷ Mr. J. F. Stevens was U.S. representative on, and President of, the Inter-Allied Technical Board of the Chinese Eastern Railway at Harbin.

⁸ For the later stages of the Allied intervention in Siberia, see Vol. VI, Chap. II, *passim*.

No. 14

Lord Hardinge to Mr. Alston (Peking)

No. 149 Telegraphic [F 589/2/10]

Urgent

FOREIGN OFFICE, *April 21, 1920, 6 p.m.*

Your telegram No. 218.¹

Counsellor of United States Embassy called on April 20th and handed in extract from a telegram from Mr. Lamont to State Department of April 16th² on similar lines to your telegram. He also made a verbal communication to the effect that the United States Government were of opinion that in reply to Japanese memorandum (my telegram No. 122 to Tokio)³ three Powers should positively decline to accept conditions and should stand on the Lamont compromise (my telegram No. 106 to Tokio).⁴ Negotiations had been unnecessarily delayed by Japanese contentions and the United States Government suggested that replies should be in such a tone of finality as to make it clear to the Japanese that the three Governments now expected definite decision to determine whether Japanese co-operation could be counted upon or whether the three Governments must face situation which would be brought about by a refusal on part of Japan to co-operate.⁵

Following points were informally agreed upon:

- (1) Japan would probably fall into line.
- (2) Her exclusion would be most regrettable.
- (3) Any hint at exclusion should come if necessary from the groups rather than from the Governments.
- (4) Request to Japanese for definite decision should be so worded as to throw the onus of refusal to enter Consortium upon Japan rather than that three Governments should appear to threaten her with exclusion.

As soon as answer has been received from French Government we propose to reply to Japanese memorandum on lines of telegram No. 122 to Tokio³ and telegram No. 462 to Paris,⁶ bearing in mind point 4 agreed upon above.

Addressed to Peking for repetition to Tokio. Sent to Paris, and Washington, for Confidential information of Governments.

¹ No. 12.

² Not printed.

³ No. 10.

⁴ No. 1.

⁵ For the U.S. Secretary of State's instructions leading to Mr. Butler Wright's communication, see *F.R.U.S. 1920*, vol. i, pp. 530-1.

⁶ No. 11. For H.M.G.'s memorandum of April 28, in answer to the Japanese memorandum of April 14, see Cmd. 1214 of 1921, No. 30.

No. 15

Mr. Alston (Peking) to Earl Curzon (Received April 22, 3.20 p.m.)

No. 222 Telegraphic [F 607/22/10]

PEKING, April 21, 1920, 6.30 p.m.

Tibet.

My telegram No. 214.¹

At an interview to-day Minister for Foreign Affairs denied that there was any truth in alleged aggressive intentions of Szechuan frontier commission and gave me most categorical assurances that China had not the least intention of taking aggressive action against Tibet. His Excellency has telegraphed to frontier authorities instructing them to remain strictly on the defensive and requested me to telegraph you asking that Government of India might be moved to use their best influence with Tibetans to restrain them from attacking Chinese, both sides remaining on the defensive pending eventual settlement by negotiations.

Attitude of his Excellency to whom I handed *aide-mémoire* containing formal warning against aggression (see final paragraph of your telegram No. 120),² was markedly friendly and he expressed hope that a settlement would be reached with me later on when it became possible to re-open negotiations.³

Repeated to Chengtu and Yunnan. Sent to India.

¹ Of April 14, not printed. This had referred to reports from H.M. Consul-General at Chengtu, which indicated 'that Szechuan Frontier Commissioner, being in desperate straits for funds, may try and pick a quarrel with Tibetans in order to draw more forcible attention to his needs'.

² Vol. VI, No. 804.

³ A full account of this interview with the Chinese Minister for Foreign Affairs was transmitted by Mr. Alston in his despatch No. 286 of April 24, not printed.

No. 16

Sir C. Eliot (Tokyo) to Earl Curzon (Received April 25, 4.30 p.m.)

No. 142 Telegraphic [F 625/19/10]

TOKYO, April 23, 1920, 1.20 p.m.

Your telegram No. 124.¹

Japanese official. . .² is that they were removing some dangerous characters including Bolshevik leaders from Hailar when a bomb was thrown. Confused fighting followed in which Czechs and (? Chinese) took part all together and subsequently³ tendered an apology which was accepted.

¹ Of April 16, not printed: this telegram had asked for Sir C. Eliot's observations on No. 7.

² The text received was here uncertain. The Foreign Office suggested reading 'explanation'. The text as sent read 'account'.

³ The text received was here corrupt. The text as sent read: 'Czechs & Chinese took part. Czechs subsequently . . .'

Military Attaché and War Office cannot see (? that this) (? fight) or account in Peking telegram No. 213 justify conclusion that 'it was a deliberate plan by Japanese'.⁴ Present Ministry seems in favour of restricting intervention in Siberia to prevent Bolshevik influence in Corea and protect Japanese subjects but opposition go even further. In a speech published to-day Baron Kato⁵ says that it is absurd to maintain troops in Siberia: that Bolsheviks cannot be kept out of Corea by military precautions and that number of Japanese residents does not justify maintenance of an army. Election takes place in three weeks and public opinion is concerned with such questions as increased cost of living and extension of suffrage. There are absolutely no indications that Chauvinism is popular but I recognise possibility that (? officer)s in Siberia may provoke incidents in order to force the hands of home authorities.

⁴ See No. 7, n. 4. In the text as sent this sentence read: 'Mil. Att. & myself cannot see that this account or the account in Peking tel. 213 justifies the conclusion that "the incident was deliberately planned by the Japanese".'

⁵ Probably Viscount Kato, leader of the Japanese Kenseikai Opposition Party.

No. 17

Mr. Alston (Peking) to Earl Curzon (Received April 26, 3.55 p.m.)

No. 225 Telegraphic [F 639/19/10]

PEKING, April 23, 1920, 5 p.m.

Chinese Eastern Railway.

According to official report responsibility for Hailar incident has been attributed to Czechs. Nevertheless simultaneous action of Japanese in Primorsk and recrudescence of their activity all along Chinese Eastern Railway and in Trans-Baikalia can hardly have been a coincidence and bears out Mr. Hodgson's theory of their having decided on strong measures on withdrawal of American troops. Latest development in matter of Chinese Eastern railway is compulsory retirement of General Horvat from post of General Manager of line and his replacement by another Russian who is a mere cypher.

It is rumoured that Japanese now seek to establish Semenov in authority on Chinese Eastern Railway, and reported that they are again furnishing Semenov with military material.

Japanese forces are acting in Trans-Baikalia in concert with those of Semenov and Voitz[e]hovski¹ and have only recently defeated 3,000 Bolsheviks west of Chita. Consequent upon this momentary improvement in situation, usual Russian lack of balance is showing itself in an idea to re-establish Far Eastern anti-Bolshevik organisation based on Trans-Baikalia, even going to the length of suggesting ultimate restoration of Empire under Demitri

¹ White Russian Commander in Siberia.

Paolovitski.² Meanwhile Japanese military movements continue: reinforcements and guns (31 cars) passed through Harbin on April 21st towards Manchurian station and a second train of 11 cars with guns reached Harbin same night.

British Military Intelligence officer just back from Chita confirms that Semenov's position is distinctly stronger now than of late, but his continued existence depends solely upon presence of Japanese troops. Japanese Military Attaché here assured Mr. Lampson yesterday that it has been definitely decided to withdraw all Japanese troops from Trans-Baikalia but he was vague as to time.

As between Chinese and Russians, Chinese are acquiring Bokhara³ and Russians are gradually being displaced.

Solution proposed in Sir J. Jordan's telegram No. 67⁴ is only sound one, but from casual remarks let drop by Mr. Lamont it appears doubtful whether State Department intend to take matter up.

American authorities in their anxiety to support Chinese fail to realise that their support may have adverse effect unless matters are taken in hand.

Repeated to Tokio and Vladivostok.

² The Grand Duke Dmitri Pavlovitch (1890-1942), nephew of the Emperor Alexander III and cousin of the Emperor Nicholas II.

³ A pencil note on the filed copy suggested that this word should be 'control'; in the text received in Tokyo it read 'boldness'.

⁴ Vol. VI, No. 724.

No. 18

Mr. Hodgson (Vladivostok) to Earl Curzon (Received May 1, 11 a.m.)

No. 105 Telegraphic [F 700/19/10]

VLADIVOSTOK, April 28, 1920, 12.30 p.m.

Following telegram has been sent to Chinese, French, American and Czecho-Slovak Governments.

Begins.

Members of Inter-Allied Railway Committee, having examined report of Mr. Smith, American member of Committee, recently returned from Trans-Baikalia, whilst¹ on invitation of General Janin² he had been despatched by Committee as its representative for the purpose of assisting to improve traffic conditions, more particularly as they affected evacuation of Czecho-Slovak troops, and having acquainted themselves with reports on action of Japanese troops at Hailar and other places on Chinese Eastern Railway as set forth in protest recently forwarded to Peking by Technical Board at Harbin, are of opinion:

¹ A pencil note on the filed copy suggested that this word should read 'whither'.

² Head of the French Military Mission in Siberia and C.-in-C. of the Czechoslovak troops in Siberia.

(1) Russian military authorities particularly Colonel Medy Chief of semi-military communications have in Trans-Baikalia system almost set aside terms of Inter-Allied Railway Agreement under which technical operation of railway should be in the hands of Technical Board.³

(2) Japanese military authorities have acquiesced in Colonel Medy's attitude, have themselves usurped functions by right belonging to Technical and Transportation Boards and have used them in such a way as to add to confusion on railway and actually delay progress of Czecho-Slovaks.

(3) Japanese military authorities by placing detachments of troops at points along Chinese Eastern Railway assigned by Inter-Allied Agreement to Chinese guardianship⁴ and allowing such detachments to intervene in matters affecting railway have provoked conflicts as result of which Russians, Chinese and Czecho-Slovaks have (? been)⁵ caused needless loss of life and movement of trains has been jeopardized.

Committee believe that representations to Japanese Government on the subject of foregoing might be efficacious in securing proper observance of Inter-Allied Agreement by Japanese command on Chinese Eastern Railway and Ussuri Railway.

Repeated to Peking, Tokio and Harbin.

³ For this Agreement, see Vol. III, No. 256, Document 2 in Annex B.

⁴ For this Agreement of April 1919, see No. 39 below, n. 2.

⁵ The insertion in brackets was suggested in pencil on the filed copy.

No. 19

Mr. Hodgson (Vladivostok) to Earl Curzon (Received May 1, 11.45 a.m.)

No. 104 Telegraphic [F 699/19/10]

VLADIVOSTOK, April 28, 1920, 12.40 p.m.

Inter-Allied Railway Committee is informed from Harbin that the financial situation of Chinese Eastern Railway is so critical that failing prompt support all movement on line may be suspended.

Czechs owe some four million dollars (gold)¹ for transport account and French some four hundred thousand dollars but former appear indisposed to make any settlement and intend writing off their debt against sums eventually payable to them by Russia.

Chinese High Commissioner states that China is paying no less than six hundred thousand dollars silver a month to assist running of line. These payments will not however go through Allied fund.

¹ The word in brackets was inserted in ink on the filed copy.

No. 20

The Earl of Derby (Paris) to Earl Curzon (Received April 28, 10.10 p.m.)

No. 511 Telegraphic [F 667/19/10]

PARIS, April 28, 1920, 5.50 p.m.

Your telegram No. 466.¹

Following reply just received from Ministry for Foreign Affairs:

'French Government have been informed of protest made by Inter-Allied Technical Bureau of Chinese Eastern Railway regarding this and other similar incidents provoked by intervention of Japanese troops. These occurrences, which are very regrettable owing to their violence, appear moreover to be contrary to Inter-Allied agreement whereby duty of guarding Chinese Eastern Railway is confided exclusively to Chinese Government troops. French Government however do not wish to take the initiative in these remote regions but would readily associate themselves with such steps as His Majesty's Government may suggest. They are also convinced it would be easy to reach in a friendly way an amicable arrangement with Japanese Government with a view to assuring maintenance of order along railway and to safeguard important interests possessed by various Allied Powers in Chinese Eastern Railway.'

¹ Of April 17, not printed. This had instructed Lord Derby, in identical terms with telegram No. 360 to Washington, to ascertain the views of the French Government on Peking telegram No. 213; see No. 13, n. 2.

No. 21

Sir C. Eliot (Tokyo) to Earl Curzon (Received April 29, 9 p.m.)

No. 151 Telegraphic [194988/11/57]

Urgent. Confidential

TOKYO, April 28, 1920, 11.30 p.m.

Your telegram No. 137.¹

Following are my observations on Vladivostok telegram No. 96,² also with some reference to Mr. Alston's telegram about the Chinese Eastern Railway apparently numbered 150 of April 23rd.³ I have consulted Military Attaché and also American Consul-General for Siberia, who remained in Vladivostok [*sic*] after Japanese occupation and has just arrived here:

Such evidence as I have makes me believe Japanese have done little or nothing of which Allies or Russians can complain. They are endeavouring to restore order in Siberia which was one of the objects of other Allies before they withdrew their troops. Japanese, having special interests, owing to

¹ Of April 23, not printed.

² No. 9.

³ On the draft of the telegram this reference was amended to '225': i.e. No. 17.

proximity of Korea and number of Japanese immigrants, are retaining their troops and continuing our policy.

It is maintained that occupation of Vladivostok was a cunningly prepared *coup*, yet Mr. Hodgson himself says their 'attitude has been marked by a complete absence of (? bad) ideas'.⁴ In other words they did not behave like people executing a plan but like people surprised by action of Russians.

Their simultaneous action along whole of Chinese Eastern Railway seems legitimate and correct from a military point of view because safety of this line is vital for maintenance of communications with their troops at Chita.

I do not think importance should be attached to Russian grumblings. In last July and August Russian officials and merchants at Omsk begged me to bring about Japanese intervention.⁵ Now they complain of it just as they complained of our attempts to make Siberian Railway work. If we were to 'put an end to present situation' and (? make) Japanese withdraw, Bolshevik rule would probably prevail in Vladivostok and every Russian with any property would say we had betrayed 'the loyal (? Russian)s'.

I can see no reason for 'dissociating Great Britain from Japan's act'. It is difficult for me to contradict statements of officials on the spot but everything that I have heard from persons who have been recently in Siberia makes me believe that Japanese are trying to restore order and are therefore disliked by Russians who are consistent in disliking every Power which tries to help them.

Japanese Minister of War says candidly that they have not been supplying Semenoff with arms for some time but are discussing advisability of doing so. I see no harm in this. Semenoff and Voitzekhoffski are said to be strongest anti-Bolshevik elements in Siberia and support given them seems to me as legitimate as support formerly given to Koltchak.⁶ American Consul General told me Semenoff had improved of late.

Military Attaché does not believe Japanese forces in Siberia have increased but thinks that any new troops which have been despatched are either drafts to replace casualties, which have been serious, or young untrained soldiers to replace time-expired men.

⁴ In the text as sent this passage read, as in No. 9: 'absence of sequence of ideas'.

⁵ Sir C. Eliot was at that time High Commissioner in Siberia.

⁶ Until February 1920 head of the White Russian administration in Siberia.

No. 22

Earl Curzon to Sir A. Geddes (Washington)

No. 401 Telegraphic [F 604/19/10]

FOREIGN OFFICE, *April 29, 1920, 4 p.m.*

Your telegram No. 286.¹

United States Ambassador called to see Lord Hardinge on April 28th.²

¹ No. 13.

² For Mr. Davis's account of his interview, see *F.R.U.S.* 1920, vol. i, pp. 687-8.

He gave a résumé of the American attitude on the lines of your telegram except that no mention was made of the suggestion that Japan should finance the Chinese Eastern Railway if the Chinese operated it. He recognised the danger of such a course.

His Excellency enquired as to our policy and was told that the best solution of the difficulty appeared to us to be:

1. To keep the Railway Boards going as long as possible;
2. To allow the Chinese to control the line in trust for the Russians, and
3. Possibly some temporary expedient by means of which the Consortium should finance the railway.

He was reminded that we had asked the United States Government for their views upon point 3, but were awaiting a definite reply (see your telegram No. 223,³ also Peking telegram No. 67⁴).

(Repeated to Paris No. 504 and to Tokyo No. 141 for repetition to Peking for observations upon points 2 and 3.)⁵

³ Not printed.

⁴ Vol. VI, No. 724.

⁵ In his reply (Peking telegram No. 243 of May 4, not printed) Mr. Alston said: 'Points 2 and 3 would be ideal solutions but are impracticable without strong support of America and willing co-operation of Japan both of which factors appear for the present to be unattainable.'

No. 23

Earl Curzon to Sir A. Geddes (Washington)

*No. 406 Telegraphic [F 625/19/10]**

FOREIGN OFFICE, *April 29, 1920, 7 p.m.*

In view of information contained in Tokyo telegram No. 142,¹ we do not consider moment opportune for any action at present as regards Siberia.

(Addressed to Paris (by bag); repeated to Tokyo, No. 146, for repetition to Peking.)

¹ No. 16.

No. 24

Sir A. Geddes (Washington) to Earl Curzon (Received May 13)

No. 599 [F 829/199/23]

Very confidential

WASHINGTON, *April 30, 1920*

My Lord,

I have read with interest the enclosures in Your Lordship's Despatches Nos. 219,¹ 345² and 349¹ of February 26th, March 19th and April 1st respec-

¹ Not printed.

² This despatch transmitted copies of the two memoranda printed in Vol. VI as Nos. 744 and 761 as well, apparently, as a copy of the letter from the Foreign Office to the Colonial Office of March 19 (not printed) referred to in No. 36 below. The covering note of the despatch has not been traced in Foreign Office archives.

tively, with reference to the possible renewal of the Anglo-Japanese Alliance.³ I note that it is proposed to raise this question at the Imperial Conference in the Autumn,⁴ from which I assume that there is no intention of denouncing the Alliance by July 13th next, so that it will remain in force for at least one year from that date.

While I am in no way disposed to question the wisdom of this decision, I feel it my duty to represent to Your Lordship the possible effect on public opinion in this country and on the prospects of the League of Nations Covenant in the Presidential Election, not merely of an eventual decision to renew the Alliance but the neglect of an opportunity to terminate it. In July the Democratic Convention will be in full swing in San Francisco, in an atmosphere peculiarly sensitive to alarmist rumours from the East. That this situation will be exploited to the full by anti-British influences may be taken for granted, if only in view of the attitude of the Hearst Press, in which the enclosed Cartoon recently appeared.⁵

The permanent effect on Anglo-American relations likely to be produced by a renewal of the Anglo-Japanese Alliance is a matter which need not perhaps be considered until the question of renewal comes before the Imperial Conference. But it is to be anticipated that the mere failure of His Majesty's Government to avail themselves of the opportunity which, as is generally known, will occur this summer to denounce the Alliance will result (a) in a very sensible prejudice to the already clouded prospects of the League of Nations Covenant in the Presidential campaign and (b) in a very decided stimulus to the anti-British wave which the campaign is only too certain to evoke. This notwithstanding any amendment which may be made in the text of the Treaty with a view to emphasizing the exclusion of the United States from its operation. (See page 3 of Foreign Office Memorandum of February 28th, No. 177312).⁶

It is this aspect of the matter to which I wish to invite Your Lordship's attention. The only palliative which I can at present suggest would be that the British and Japanese Governments should agree to issue a joint declaration that the definite renewal of the Alliance was deferred to allow of the establishment of the League on a basis so firm as to render it superfluous or at most necessary as a kind of re-insurance against a breakdown in the machinery of the League on the lines indicated in the Legal Adviser's Memorandum of February 18th.⁷

Such a statement would, of course, require to be issued at the right

³ For the Anglo-Japanese Agreement of 1911, see *B.F.S.P.*, vol. 104, pp. 173-4. For the preceding Anglo-Japanese Agreements of 1902 and 1905, see *ibid.*, vol. 95, pp. 83-84 and vol. 98, pp. 136-8, respectively.

⁴ The Imperial Conference of Dominion Prime Ministers and Indian representatives was not in fact held until June 1921; see Chap. IV below, *passim*, and especially No. 307.

⁵ This cartoon entitled 'Clouds on the Eastern Horizon', not here reproduced, appeared in the *New York American* of April 24, 1920. Mr. W. R. Hearst was proprietor and editor of several American newspapers and periodicals.

⁶ Vol. VI, No. 761.

⁷ *Ibid.*, No. 744.

moment and in the most carefully chosen terms, in order to avoid any impression of a threat levelled at this country.

I have, &c.
A. C. GEDDES

No. 25

Earl Curzon to Mr. Alston (Peking)

No. 172 Telegraphic [F 702/19/10]

Urgent

FOREIGN OFFICE, May 4, 1920, 6 p.m.

Washington telegram No. 309¹ and your telegram No. 236.²

It appears to us unlikely that Consortium will have advanced sufficiently to be able to arrange to finance Chinese Eastern Railway by May 15th. It has been suggested that United States and Japanese Governments should be asked to carry preliminary advances with subsequent reversion to Consortium.

Before making this suggestion we should be glad to receive your observations.

Do you consider financial situation to be really as serious as reported by Railway Committee in Vladivostok telegram No. 104?³

Addressed to Peking for repetition to Tokio for observations. Repeated to Washington No. 420 and Paris.

¹ Of April 30, not printed. This had referred to No. 22 and the second paragraph of No. 13.

² Of April 28, not printed. This had referred to No. 17 and had stated that Gen. Beckett was anxious for some indication of H.M.G.'s attitude by May 15.

³ No. 19.

No. 26

Mr. Alston (Peking) to Earl Curzon (Received May 6, 10 a.m.)

No. 241 Telegraphic [F 752/199/23]

Confidential

PEKING, May 4, 1920, 6.30 p.m.

My letter to Sir J. Tilley¹ of October 7th 1919.²

I learn privately that Associated British Chambers of Commerce are contemplating petition to Your Lordship, main points of which are as follows.

Objects defined in preamble to Anglo-Japanese Alliance have not been attained and renewal appears unnecessary having regard to Covenant of League of Nations. Should however some understanding with Japan be considered desirable by His Majesty's Government attention is invited to the following points.

¹ An Assistant Secretary in the Foreign Office.

² Vol. VI, No. 522.

1. South Manchurian Railways. Reversion to China in accordance with leases, and agreements in effect on July 13th, 1911.³

2. Shantung Tsingtao and Railways. Recognition of China's sovereignty and equal opportunity.

3. Japanese military forces in China. Position to be regulated by treaty in force on July 13th 1911.

4. Equal opportunity, territorial rights and special interests to be defined.

5. Chinese Government as interested party to be consulted prior to the understanding.

Petition represents views, almost unanimously held by British community in China, while point 5 has already been agitated for in Chinese Press and is matter we cannot afford to ignore in the present state of popular feeling in this country.⁴

Repeated to Tokio.

³ The Anglo-Japanese Alliance had been renewed on July 13, 1911. Cf. No. 24, n. 3.

⁴ The petition, as received by Mr. Alston and forwarded to Lord Curzon under cover of Peking despatch No. 411 of June 4, omitted points 3 and 5 above, but contained the following additional paragraph: 'Finally your petitioners would venture to suggest with all due deference and respect, that in the event of His Majesty's Government being unable to secure from the Japanese Government clear and unqualified guarantees of their acceptance of the principles above set forth, the continuance of the said Treaty of Alliance would be opposed to the best interests of British trade in this country, as tending to create the impression that His Majesty's Government acquiesces in the present policy of the Japanese Government towards China, a policy which has aroused the bitter resentment and hostility of the Chinese people, and which is, moreover, calculated to restrict the free development of British trade in certain important sections of the Country.'

No. 27

Sir A. Geddes (Washington) to Earl Curzon (Received May 7, 10.30 a.m.)

No. 321 Telegraphic [F 794/19/10]

WASHINGTON, May 6, 1920

Your telegram No. 172 to Peking¹ and Peking telegram No. 236.²

Member of my staff was to-day invited to Conference with Heads of Far East and Russian divisions of State Department on position as regards Chinese Eastern Railway.

Americans are inclined tentatively to suggest following solution. Inter-Allied Committee on which Mr. . . .³ is American representative to be retained after dissolution of Technical Board. Railway to be operated and financed by Chinese Government under direction of Committee. Chinese not to be precluded from engaging Americans or other foreigners now assisting in operation of line and to be guaranteed support of other Powers

¹ No. 25.

² Not printed: see No. 25, n. 2.

³ The text is here uncertain. The American representative was Mr. C. H. Smith: cf. No. 18.

in future claim to set off expenditure now to be incurred on railway against ultimate purchase price due in 1934.⁴

If above solution appears to offer any chance of success Americans are anxious that we should sound Japanese from whom chief opposition would probably come.

Proposal should be represented as attempt under changed conditions to comply with section 5 of American-Japanese agreement of January 15th 1919 and section 6 of memorandum of January 9th 1919 attached to that agreement.⁵

In view of attitude of Congress it appears certain (a) that Stevens will not be left at Harbin, (b) that no further money appropriation can be secured here, (c) that American railway personnel will be withdrawn unless re-engaged on private basis e.g. by Chinese Government.

⁴ Amended in the Foreign Office to '1939'.

⁵ For the agreement, see *F.R.U.S. 1919, Russia*, pp. 239-40; cf. No. 13, n. 4. For the memorandum of Jan. 9, see *F.R.U.S.*, op. cit., pp. 242-3.

No. 28

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 12, 9 a.m.)

Unnumbered Telegraphic [F 825/19/10]

Urgent

TOKYO, May¹, 1920

Your telegram No. 172 to Peking² and others about Siberia.

Immediate collapse of Siberian Railway has so often been predicted that scepticism is natural but I think that present situation is really critical and that traffic will cease unless foreign financial assistance is given. But I suspect that Japanese are already financing line. Minister for Foreign Affairs tells me that they have four million yen available for this purpose and that so long as they have troops at Chita they must keep line open at any cost. I see no objection to your proposal that United States should cooperate with Japanese Government in financing line with subsequent reversion to consortium. I did not feel at liberty to make this suggestion to the United States Ambassador but I gather from him that in his opinion consortium would not be ready to undertake task for some time to come.

Minister for Foreign Affairs³ told me today that little progress has been made in negotiations for creation of Buffer State. His desire is to define a neutral territory east of Irkutsk into which neither Japanese nor Bolsheviks are to enter. This would enable Japanese to evacuate Chita and lessen danger of Bolshevik propaganda in China. I fear that large towns of Northern China with their considerable population of immigrant coolies who have no local ties may offer good opportunity to revolutionary agitators.

¹ It was presumed in the Foreign Office that this undated telegram (not traced in Tokyo archives), forwarded from Peking on May 11, was Tokyo telegram No. 169 of May 7: see No. 31 below, n. 5.

² No. 25.

³ Viscount Uchida.

No. 29

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 10, 12 noon)

No. 170 Telegraphic [F 812/33/10]

TOKYO, May [7],¹ 1920

Minister for Foreign Affairs informed me to-day that Japanese Government has addressed two notes to the Chinese Government about Shantung but that no answer has been (? received) and according to information from Peking none is to be expected. Under these circumstances Japanese Government does not see what it can do except maintain *status quo ante*.

¹ Dates or times printed between square brackets are supplied from the Embassy archives, see Preface, p. viii.

No. 30

Mr. Alston (Peking) to Earl Curzon (Received May 16, 4.15 p.m.)

No. 252 Telegraphic [F 854/19/10]

PEKING, May 12, 1920, 2.45 p.m.

Your telegram (? 172).¹

Following from Harbin 160 (Begins.)

There can be no doubt that financial situation of railway is (? extremely) precarious and that an early remedy must be found.

Immediate provisional needs according to figures furnished to me by General Beckett are as follows:

Gold dollars, 5,000,000 to meet liabilities to contractors and others up to April 30th last.

Gold dollars 1,250,000 monthly for next four months for floating and working capital to cover purchase of materials etc. required for current year.

Gold dollars 5,000 per month for similar period towards operating expenses.

Contractors are nearing end of their resources and unless they are paid amounts outstanding they will be unable to continue to furnish supplies. Amount due to one contractor alone is gold dollars 3,000,000. (? Limit of) four months has been taken on assumption that on its expiration, if not sooner, a definite decision will have been reached as to future of line.

Total amount of Chinese loan to railway to date is Mexican dollars 1,000,000 and General Beckett knows nothing of payments mentioned in last paragraph of Vladivostock telegram No. 104.²

Against deficit of gold dollars 5,000,000 up to April 30th is sum due for Allied Military Transportation amounting approximately to gold dollars

¹ No. 25.

² No. 19.

6,000,000 (? and) (? whether this) is recoverable remains to be seen—see again Vladivostock telegram above mentioned.

Confidential

Japanese are manoeuvring and intriguing in every conceivable direction in search of an opportunity to come forward and take complete control of line. Unless then United States Government is (? gravely) . . .³ fear wisdom of suggested joint advance by United States and Japanese Governments.

Repeated to Tokio.

³ The text is here uncertain.

No. 31

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 15, 3.10 p.m.)

No. 177 Telegraphic [F 853/19/10]

Very urgent

TOKYO, May [12], 1920

Your telegrams 157¹ and 158.²

The Chinese Eastern Railway. Position which United States Government wishes to give Chinese Government must be merely nominal since Chinese have not the necessary money or engineers and last year proved themselves incompetent as guards of line. Japanese could find many arguments against such a proposal especially as no reason is given why Chinese should control line so long before time when they are supposed to have power of purchasing it.

Would it not be simpler for consortium to undertake line? Though (? Japanese) may not (? like) idea of its (? operations) extending so far north, I think it would be easier to argue in favour of consortium as a continual³ international control in a slightly different form, than in favour of bringing in China.

Mr. . . .⁴ informs me confidentially that although he would be unwilling to go publicly against his Government he shares this view and would be prepared to support a proposal that consortium should undertake task.

I am by no means sure that Japanese Government will view such a proposal with pleasure and (? suggest) they should be sounded before any joint plan prepared by other Powers is put before them.

¹ This was a repetition to Tokyo of No. 27 above.

² Of May 8, not printed. This had asked for observations as to the expediency of sounding the Japanese, as proposed in No. 27, in view of Peking telegram No. 243 of May 4 (see No. 22, n. 5).

³ A pencil note on the filed copy correctly suggested that this should read 'a continuation of'.

⁴ The text is here uncertain. A note on the filed copy correctly suggested that the name should be 'Lamont'.

Mr. . . . 's⁴ view above quoted seems to remove objections of United States Ambassador here, mentioned in my telegram No. 169 May 7th.⁵

⁵ It was suggested in the Foreign Office that this was the unnumbered Tokyo telegram printed as No. 28 above. In his telegram No. 178 of May 13 (not printed) Sir C. Eliot reported that the U.S. Ambassador in Tokyo did not object to the taking over of the Chinese Eastern Railway by the consortium, but that he said that, since it was 'a purely financial concern', the consortium would require some 'intervening body between itself and operation of line'.

No. 32

Mr. Alston (Peking) to Earl Curzon (Received May 17, 3.10 p.m.)

No. 257 Telegraphic [F 876/33/10]

PEKING, May 14, 1920, 5.20 p.m.

Tokio telegram No. 170.¹

In reply to my enquiries Acting Minister for Foreign Affairs tells me Wai-Chiao-Pu² had prepared for consideration at last Cabinet meeting reply to Japanese Note refusing direct negotiations. Premier who is resigning, nominally on account of financial situation of Government but in reality owing to pressure of Anfu party,³ considered matter should stand over for his successor.

In course of a general survey of situation on my recent arrival here I suggested to Acting Minister for Foreign Affairs that Chinese Government would lose nothing by sending at least a formal acknowledgment of Japanese Note whereas by completely ignoring Japanese overtures ill-feeling would only be increased.

Neither Acting Minister for Foreign Affairs nor any member of Government is however capable of taking any responsibility or of coming to any decision in face of opposition.

Repeated to Tokio.

¹ No. 29.

² i.e. the Chinese Ministry of Foreign Affairs.

³ Cf. No. 3, n. 2.

No. 33

Mr. Alston (Peking) to Earl Curzon (Received May 19, 4 p.m.)

No. 260 Telegraphic [F 905/19/10]

PEKING, May 17, 1920, 4.30 p.m.

I referred to His Majesty's Consul, Harbin, 2nd paragraph of Washington telegram No. 321.¹

Following received from Harbin. (Begins.)

¹ No. 27.

Your telegram No. 32.

I do not like suggested solution which is specious and impracticable.

Chinese are not qualified to fill role assigned to them and task allotted to Committee would be insuperable.

It is an open secret that China is a bankrupt nation and it is patent that unless Great Powers assisted she could not finance railway (? alone).

Solution appears to pay little heed to Russian rights and vested interests and would, I do not doubt, be antagonistic to all classes of Russians as well as to Japanese. Dangers of this would be:—on one hand Russians and Japanese might be driven to coalesce; on the other hand weight of numbers in North Manchuria, Chinese apart, being with Russians and Japanese, places vacated by Russians, if forced or induced to quit, would inevitably be taken by Japanese. In either of these events it would be impossible for Americans, ourselves, and others to hold balance.

Problem with which we are faced is a dual one—railway and municipal. Both Ste . . . and Duk . . .² agree that Chinese are not able to operate railway, and as regards municipal matters it is incontestable that Chinese cannot control railway settlement with their considerable foreign population, numbering approximately in case of Harbin 50,000 in normal times.

At present moment it is estimated that Russian (? inhabitants) in this town number 150,000 and that there are another 50,000 in other settlements. Personally I feel requirements of case can best be met by a Committee or Board of the kind suggested in my report on Chinese Eastern Railway of last year which would have control of finance and might possibly be made to take place of Board of Directors.

Committee or Board need not necessarily perhaps be divided into two sections but in that event should have power to engage foreign ((? e.g.) Russian)³ railway experts as part of railway staff. If America and Japan (? are to be) asked to provide funds to meet immediate provision for needs⁴ of (? railway) I think we should on no account fail to take a share of them. (Ends.)

For report mentioned in penultimate paragraph see Sir J. Jordan's despatch No. 98 of March 10th 1919.⁵

I concur in above and in views contained in Tokio telegram No. 177.⁶
Repeated to Tokio.

² In the Foreign Office it was suggested that these names should be 'Stevens' and 'Beckett'.

³ The text received at Tokyo read '(non Russian)'.

⁴ The text received at Tokyo read 'immediate provisional needs'.

⁵ This despatch and Mr. Sly's report enclosed are not printed.

⁶ No. 31.

No. 34

Earl Curzon to Mr. Alston (Peking)

No. 191 Telegraphic [F 415/2/10]

Urgent

FOREIGN OFFICE, *May 18, 1920, 8 p.m.*

My telegram No. 166 to Tokio¹ and your telegram No. 190.²

Please consult with your American, French and Japanese Colleagues as to advisability of starting negotiations with Chinese Government.

¹ Of May 17, for repetition to Peking, not printed. This had informed Sir C. Eliot and Mr. Alston of the receipt of the Japanese memorandum of May 10 (see Cmd. 1214 of 1921, No. 31) and of the terms of H.M.G.'s reply of May 17 (see *ibid.*, No. 32). This accepted the Japanese memorandum as satisfactorily closing the discussion concerning the Taonanfu Railway and the Consortium.

² No. 3.

No. 35

Mr. Alston (Peking) to Earl Curzon (Received May 23, 4 p.m.)

No. 267 Telegraphic [F 934/199/23]

Very confidential

PEKING, *May 21, 1920, 12.55 p.m.*

I have received secret communication from Chinese Government referring to impending negotiations for renewal of Anglo-Japanese Alliance about which it states public in this country is very anxious.

Attention is called to fact that if China and her territories are mentioned in new Treaty without previous consultation with her, national dignity and honour of country will be prejudicially affected and Government and people will be unable to recognize validity of such portions of treaty.

It is requested that His Majesty's Government will take above into their serious consideration at time of revision of treaty.¹

Repeated to Tokio.

¹ An English translation of this *aide-mémoire* is printed in *The China Year Book 1921-2* (Tientsin, 1921), p. 741.

No. 36

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 25, 3.30 p.m.)

*No. 193 Telegraphic [F 938/199/23]**

Confidential

TOKYO, *May [23], 1920*

Question of renewing Anglo-Japanese Treaty was not mentioned between Minister for Foreign Affairs and myself until 19th May, when it came up in conversation. I told Minister for Foreign Affairs that my instructions were to report to your Lordship state of public and official feeling in Japan about alliance as soon as I had been here long enough to form an opinion, and

I emphasised fact that my instructions did not go beyond this, although I knew His Majesty's Government had most friendly feelings towards Japan. I thought in any case text of treaty would have to be modified in view of formation of League of Nations.

We discussed this question at some length, but from the purely legal and not political point of view, on basis of memorandum by legal adviser enclosed in your Lordship's despatch No. 131 of 31st March.¹ At close of interview Minister for Foreign Affairs said he would discuss whole question with his colleagues.

On 22nd May he sent me a communication which, though only a private letter, seemed to assume that I had proposed a renewal of alliance, for he said that he had submitted whole² question to Cabinet and that 'Japanese Government are also in favour of its renewal'. He also enquired whether we had already formulated any draft of revised text of treaty.

In replying I repeated above statement as to my instructions and said I had no such draft and I thought none could exist, since matters had not reached that stage yet.

I propose to send home shortly a despatch reporting on whole situation.³ From letter to Colonial Office enclosed in your Lordship's despatch referred to above I gather His Majesty's Government will take no decision until after Imperial Conference to be held in autumn this year.⁴ Am I at liberty to inform Japanese Government of this? I assume we shall not denounce treaty before 13th July next.

¹ For this memorandum, see Vol. VI, No. 744.

² This word was not in the text as sent.

³ No. 52 below.

⁴ This Foreign Office letter of March 19 is not printed.

No. 37

Mr. Alston (Peking) to Earl Curzon (Received May 28, 9.30 a.m.)

No. 269 Telegraphic [F 956/2/10]

PEKING, May 25, 1920, 8.40 p.m.

Your telegram No. 191.¹

Position in regard to Consortium as seen at Peking is now as follows:

1. Mr. Lamont left here May 1st and expressed unwillingness to make any advance to Chinese Government so long as they continued to exercise discrimination between repayment of German bonds and coupons of Hukuang and Tientsin Pukow Railways.²

2. Subject to above (? provision) he considered maximum advance possible now was 25 million dollars and that this should be devoted (? exclusively)

¹ No. 34.

² The Chinese Government refused to honour the coupons and bonds of the German issue of the Hukuang Railway Loan of 1911.

to payment of above bonds, to redeem Pacific Development Company's loan,³ and to construction of Hukuang Railways for which a balance of £3,200,000 would be available. He was opposed to any advance for administrative purposes to present Government.

3. His conditions were: as security, reversion to Consortium of wine and tobacco tax and unpledged salt and postal revenue; also effective control of expenditure (presumably in distinction to nominal control provided in Article 14 of reorganization loan agreement).⁴

4. On April 28th British, French and American groups proposed that Chinese Government issue a loan in China for construction of Hukuang Railways in which a Chinese group would be asked to co-operate. Japanese group was informed but was not then eligible for participation. No answer has been received.

5. I am not aware whether Consortium would be willing to finance Chinese Eastern Railway. As this question involves political consideration they would presumably be unwilling to finance railway except with full support of four Governments. This is however the one project for which adequate control might possibly be secured now.

6. Chinese Government apparently showed no disposition to consider two and three above when in discussion with Lamont and there appeared to be advantages in waiting for China to make first move in regard to an advance.

7. Public opinion both Chinese and foreign is opposed to any advance to present Government which is gravely discredited and to which it appears undesirable to furnish funds except possibly as outlined in 4 or 5 above.

From conversations with my United States colleague, I know above represents his views as well as my own particularly as regards 6. But I should like to be reinforced by knowledge that it represents also the views of His Majesty's Government before consulting with my colleagues formally as instructed in your telegram under reply.

I reported fully by despatch on May 10th.⁵

Repeated to Tokio.

³ According to a minute by Mr. Bentinck, a member of the Far Eastern Department, this was an 'American Loan made to China last autumn, 1919, about which there was a certain amount of feeling'; cf. Vol. VI, Nos. 641 and 651.

⁴ This Agreement had been signed at Peking on April 26, 1913, between the Chinese Government on the one part, and the Hongkong and Shanghai Banking Corporation, the Deutsch-Asiatische Bank, the Banque de l'Indo-Chine, the Russo-Asiatic Bank, and the Yokohama Specie Bank on the other. (For the text, see MacMurray, vol. ii, pp. 1007 ff.) An Audit Department under foreign supervision had been provided for in Art. XIV.

⁵ Peking despatch No. 335 (not printed), received July 26, 1920.

No. 38

Earl Curzon to Sir A. Geddes (Washington)

*No. 474 Telegraphic [F 856/19/10]**

Confidential

FOREIGN OFFICE, May 27, 1920, 5 p.m.

My telegram No. 401 of 29th April.¹

Counsellor of United States Embassy called on 20th May, for frank and informal discussion of Chinese Eastern Railway.

We gathered that State Department were beginning to realise desirability of continuing Railway Board.

Following tentative scheme was drawn up, which Counsellor proposed to submit to State Department:

1. That Inter-Allied Railway Agreement of January 1919² be continued with Committee at Vladivostok and Technical Board at Harbin.

2. That protection of railway be given over to Japanese and Chinese jointly, they being the only Powers with necessary forces.

3. That consortium be asked to finance railway, but meanwhile Americans and Japanese undertake jointly to carry the preliminary advances.

Serious financial situation was pointed out to Counsellor (Peking telegram No. 252 of 12th May).³ We await further comments of State Department, as, until we are agreed upon a scheme which offers a chance of success, it appears useless to sound Japanese (Tokyo telegram No. 177 of 15th May).⁴

(Repeated to Tokyo, No. 178, for repetition to Peking, also to Paris.)

¹ No. 22.

² See Vol. III, No. 256, Annex B; cf. No. 13 above.

³ No. 30.

⁴ No. 31. May 15 was the date on which this telegram was forwarded from Peking.

No. 39

Earl Curzon to Sir C. Eliot (Tokyo)

No. 180 Telegraphic [F 856/19/10]

Urgent. Confidential

FOREIGN OFFICE, May 29, 1920, 6 p.m.

My telegram No. 474 to Washington.¹

Counsellor of United States Embassy called on May 28th to say that as regards point (1) the State Department concurred absolutely in our suggestion. They saw no need, however, to retain the Military Transport Board.

They also agreed on point (2) as a temporary measure owing to the military exigencies of the situation but pointed out that present Japanese occupation was in defiance of Allied Commanders' agreement of April 1919.²

¹ No. 38.

² The agreement referred to was one reached by the Inter-Allied Railway Committee concerning the distribution of Allied troops along the Trans-Siberian Railway; see *F.R.U.S. 1919, Russia*, pp. 555-6.

They agreed in principle to point (3), but preferred to await arrival in Washington of United States Ambassador Tokio and Mr. Lamont before making any suggestion.

Please telegraph whether you consider that it would be possible to obtain consent of Japanese Government to proposed course or whether Your Excellency can make any alternative suggestion.

Repeated to Peking, Washington No. 480 and Paris No. 615 by Bag.

No. 40

Memorandum by Mr. Wellesley¹ on Anglo-American co-operation in the Far East

[F 2159/199/23]

FOREIGN OFFICE, June 1, 1920

The time is approaching when we shall have to decide whether or not the Anglo-Japanese Alliance is to be renewed and if so what form it should take. In view of that necessity and also of the fact that the American Ambassador has tentatively thrown out a feeler on the subject of closer Anglo-American co-operation in the Far East² it may be well briefly to review the situation and formulate a definite line of policy.

The problem of the Far East has in Sir J. Jordan's words resolved itself into the problem of Japan's position in China.³ The Alliance has notoriously failed, as far as the activities of Japan herself are concerned to 'preserve the common interests of all the Powers in China'. During recent years and more especially during the war when the Powers were pre-occupied with the more pressing affairs of Europe it has become more and more manifest that the policy pursued by Japan has gradually come to be almost diametrically opposed to the best interests of not only Great Britain and the United States but of China herself whose integrity and welfare the Alliance purports to maintain and foster. The policy of Japan has shown itself to be one of peaceful penetration not less thorough and certainly more ruthless, more brutal and more insidious than that employed by Germany all the world over before the war, having for its ultimate aim a complete Japanese hegemony over China, politically, economically and probably militar[il]y. Such a prospect is one which neither we nor the Americans can contemplate with equanimity.

¹ Assistant Secretary in the Foreign Office, superintending the Far Eastern Department.

² In a note (not printed) of a conversation of May 21 between the Counsellor of the U.S. Embassy (Mr. Butler Wright), Mr. Bentinck of the Far Eastern Department and himself, Mr. Wellesley recorded that Mr. Butler Wright had thrown out 'very tentatively and guardedly a feeler regarding the renewal of our alliance with Japan and co-operation with the United States of America. . . . He was, we understand, putting out a feeler on behalf of the United States Ambassador and gave us to understand that the latter would, if we would not object to such a thing, welcome an opportunity for further discussion along the lines of further co-operation in China.'

³ For Sir J. Jordan's views here referred to, see Peking despatch No. 564 of Dec. 23, 1918, printed in the introduction to Chap. II of Vol. VI (p. 566).

The Anglo-Japanese Alliance has therefore come to be an unnatural and artificial compact based neither on identity of interest nor on sympathy with common aims and ideals. Its perpetuation will stamp it as a 'Mariage de convenance' dictated on the side of Japan by fear of political isolation and on ours by the conviction that it affords us the only means of exercising a restraining and moderating influence on Japanese ambitions. Alliance or no Alliance Japanese policy has a definite and set purpose from which it will not and cannot recede, being partly due to the irresistible pressure of economic conditions and partly to the political aspiration of a young and rising nation. The process of tightening her grip on China has gone ahead apace until the pressure has become almost intolerable and we are within measurable distance of an open conflict. There are many signs pointing to Chinese exasperation and the danger of an eventual explosion in the Far East seems to me to be a very real one. What would be the attitude of His Majesty's Government in such an event? A prostrate and exhausted China on the verge of disruption appealing to us for protection against an Ally who has succeeded by surreptitious means in strangling her to death in cynical disregard of the spirit if not the letter of her Treaty obligations to maintain her integrity; would that not place His Majesty's Government in a situation of extreme embarrassment? We are already more or less helpless largely by reason of the very intangibility of the means employed to bring about that situation; once matters have reached that stage we shall almost of necessity be forced to acquiesce in the '*fait accompli*' and fall back on a policy of saving what we can for British interests from the general wreckage. That would be a most ignominious position for His Majesty's Government and a sad ending to the high-falutin phrases about China's integrity and equal opportunities for all.

If that is a correct diagnosis of the political situation in the Far East it behoves us to consider very carefully by what means such a catastrophe can best be averted if it can be at all.

Quite clearly if in lieu of the renewal of the Anglo-Japanese Alliance a tripartite agreement to which the United States would be a party could be substituted we should be in a far stronger position to exercise an effective restraint on Japanese ambitions and counteract the insidious ramification of their policy of peaceful penetration especially in the field of finance. On this point there is unanimity of opinion among all best qualified to judge on our side viz. Sir J. Jordan, Mr. Alston etc. and indications are not wanting to show that their view is shared by the best American opinion especially in Diplomatic and Government circles as for instance by Mr. Morris the United States Minister at Peking [*sic*]⁴ now actually in Washington.

Any overtures from the United States which offer the slightest prospect of preserving the peace of the Far East are therefore to be welcomed and I regard the feeler which has just been thrown out by the American Ambassador as having come at a most opportune moment. It should be exploited to the utmost with a view to bringing about a tripartite agreement as the

⁴ U.S. Ambassador at Tokyo. For his views, see also Nos. 50 and 79 below.

only possible safeguard against all the troubles which are already looming large ahead of us on the political horizon of the Far East. The motives which prompt the American 'feeler' can be easily guessed.

In a despatch dated 23rd December 1918 Sir John Jordan stated: 'The new part adopted by America in world politics has centred the attention of her people on the resources and markets of this great and undeveloped country. Their position on the Pacific Coast compels them to regard with anxiety the possibility, on the one hand, of a weak and disunited China, a prey to international intrigues, or, on the other, of a militarist China, with unrivalled man-power and resources under the leadership of Japan.'⁵ America has always taken a warm and practical interest in the re-construction of China, and has consistently pursued a policy of commercial and educational penetration in that country which has been no less beneficial to China than to herself. It is hardly an exaggeration to say that 'young China', in its most promising aspect, is an Americanized China. But America has found an eager and persistent competitor in Japan, who has launched into a rival policy of ostensibly peaceful, but actually brutal penetration, which was pursued with redoubled vigour and with methods closely resembling those of Prussian imperialism at the very moment when President Wilson and the Allies were engaged in overthrowing Prussianism in the West. The mutual irritation and distrust that have consequently arisen between America and Japan are no longer concealed, and the Far Eastern question is visibly resolving itself into a duel between those two countries to decide the fate of China. America's best means to dispel her fear of Japan is to realise her great hope, the reconstruction of China on lines that will ensure equality of opportunity, free play to international co-operation, and the exclusion of Japanese imperialism.

One highly important step has already been taken in this direction. The international financial Consortium which is about to come into being was initiated at the instance of America. Its purpose, in the words of Mr. Lansing, is 'to meet the larger needs and opportunities of China in a spirit of harmony and of helpfulness rather than of harmful competition and of self-interest',⁶ and one of its most important results should be the checkmating of Japan's policy of exploiting China by means of loans which serve the double purpose of strengthening her own economic hold over China and of keeping China disunited. The scheme naturally met with a stubborn resistance from the Japanese, and their eventual yielding must be regarded as a substantial victory for American aims. Apart from the Consortium scheme there have been evidences during the last few years of a general desire on the part of the Americans to work in closer harmony with us in China. The entry of the United States into the war was followed by a significant movement for promoting more intimate relations between the local British and

⁵ See n. 3 above.

⁶ Mr. Lansing was U.S. Secretary of State, June 1915–Feb. 1920. These words are quoted from Mr. Lansing's note of Oct. 8, 1918, to H.M. Chargé d'Affaires in Washington (printed as enclosure 1 in No. 3 of Cmd. 1214 of 1921).

American communities, and both sides threw themselves with enthusiasm into that not entirely simple enterprise. Local Americans, moreover, have more than once shown a desire to join forces with their British neighbours in the all-important work of education.

With the Consortium, financial co-operation in China is already provided for, and it is not unlikely that America is now disposed to follow it up with a political understanding, in order to give definite expression to the similarity of British and American aims in the Far East.

What form such an understanding should take must depend on whether it is decided to continue the Anglo-Japanese Alliance in any shape.

In any preliminary considerations indeed, the first thing to be taken into account is the position and legitimate expectations of Japan. The Japanese are undoubtedly very much afraid of America and their aggressiveness is almost certainly due as much to nervousness as to Jingoist ambition. It would plainly be as impolitic as it would be unfair to allow the Japanese to feel themselves dangerously isolated, and it is essential that any arrangement entered into with the United States, whether accompanied by a continuation in a modified form of the Anglo-Japanese Alliance or not, should be such as to give the Japanese no reasonable grounds for alarm or suspicion, and make them feel that their legitimate interests are more and not less safe than before.

There can be no doubt that some kind of definite understanding between Great Britain and the United States would be warmly welcomed by the British communities in China. They would gladly see the formal alliance with Japan give place to a new arrangement which might indeed include Japan, but which would be based primarily on the principles underlying our natural alliance with America. On the other hand, by collaborating in a more or less recognised way with America we should be working towards the ideals of American policy, the rehabilitation of China and the maintenance of equal opportunity for foreign enterprise. The closer our co-operation with America, the wider the open door.

One very important result of an Anglo-American understanding would be the moral effect it would have on China herself. Modern Chinese have been profoundly impressed by the altruism and generosity which have distinguished America's dealings with their country, and if we openly associated ourselves with American principles China would be inspired with fresh hope, and our own prestige would be not a little enhanced. We must of course be prepared to find that the feeler of the United States Ambassador has no sort of backing from his Government and that any suggestion in the nature of an agreement will meet with a polite and firm refusal.

The crux of the situation is whether in the face of the strong anti-Japanese and anti-British feeling which dominates so large a section of American public opinion the United States Government will dare to face the music.

It is of course a delicate matter to speak openly to the United States Ambassador of the fears and suspicion which we entertain of the aggressive propensities of our Ally but nevertheless, if only it could be brought home to the Americans forcibly enough by letting them read between the lines

that the very real dangers of a conflagration in the Far East can only be averted by their adhesion to a tripartite agreement and that therefore a strong moral obligation rests on them to co-operate to the utmost of their power in preserving the Peace something will have been gained, if nothing more than to elicit a clear statement from the United States Government as regards their future attitude towards the problems of the Far East.

I cannot discover any reason why we have not approached the United States Government ourselves before now other than that the proposal has probably been considered too Utopian to be worthy of serious consideration at the moment, however much it might serve as a political ideal towards which all efforts should be directed. The opportunity seems however now to have come.

If we succeed in eliciting a favourable reply, we must then of course at once inform the Japanese Government of the conversations which have taken place. Although the proposal will be unpalatable to them or at least to the Military party as a serious check on their ambition in China I am not so sure that they might not welcome it as a means of affecting a *rapprochement* with the United States but in any case however much they may secretly resent it they will find it extremely difficult if not impossible to oppose it openly.

It is moreover satisfactory to know that the general principles upon which the Anglo-Japanese Alliance ostensibly rests accord with the policy pursued with the United States in China and if the Alliance were renewed in a modified form to accord with the League of Nations so that all pledges of armed assistance disappear it should help to make American adhesion to a purely self-denying ordinance all the easier.

As Mr. Butler Wright first approached me on the subject of closer co-operation perhaps it would be as well if I had a preliminary talk with him as I might be able to elicit some useful information before the conversations take place in higher quarters.⁷

⁷ In minutes of June 14 (F 1127/199/23) Mr. Bentinck and Mr. Wellesley referred to a further conversation that day in which Mr. Butler Wright had 'again referred to the question of Anglo-American cooperation on lines which had already been initiated in the Consortium'. Mr. Wellesley, however, recorded that, as the foregoing memorandum (No. 40), suggesting that he should have a preliminary talk with him, had not yet been returned to the Department, he 'did not feel justified in responding to the feeler which he has again thrown out'. Lord Hardinge in an undated minute added: 'Better wait for the present. H.'

Mr. Wellesley's memorandum was not entered in the file until Sept. 21.

No. 41

Earl Curzon to Sir C. Eliot (Tokyo)

No. 185 Telegraphic [F 829/199/23]

Urgent

FOREIGN OFFICE, June 3, 1920

Your telegram No. 193 of 24th May.¹

As memorandum by Legal Adviser of 18th February shows, present Treaty

¹ No. 36. May 24 was the date on which this telegram was relayed from Peking.

of Alliance, though in harmony with the spirit of the Covenant of the League of Nations, is not quite consistent with its letter.² If, therefore, we allow alliance to continue in its present form any longer than 13th July, 1921, we may lay ourselves open to criticism of committing a breach of article 20, paragraph 2, of the Covenant. It seems to us, therefore, that we should, jointly with Japan, inform the League before 13th July next that the treaty can only be continued after July 1921 in a form which is not inconsistent with the Covenant. Such a step would put us right with the League and in the eyes of the world, and need not commit the Dominions to anything in advance.

Your Excellency should take an early opportunity to consult Japanese Government in the above sense. You may add that no definite decision as to renewal can be taken until after the Dominions have been consulted this autumn.

Repeat by post to Peking. (Repeated to Washington, No. 489.)

² Vol. VI, No. 744.

No. 42

Earl Curzon to Sir A. Geddes (Washington)

*No. 635 [F 829/199/23]**

FOREIGN OFFICE, *June 3, 1920*

Sir,

My telegram to Tokyo No. 185,¹ repeated to your Excellency, will show you that, whilst we do not propose actually to denounce the Treaty of Alliance with Japan, we are consulting our ally as to making a joint statement to the League of Nations to the effect that the alliance can only be continued after the 13th July, 1921 (the earliest date for its determination), in a form which is not inconsistent with the Covenant of the League. Such a step would appear to meet the difficulty referred to by your Excellency in your despatch No. 599, Very Confidential, of the 30th ultimo [April],² and to be preferable to anticipating in any way a breakdown in the machinery of the League.

It may be necessary to make some statement to Parliament on the lines of our telegram to Tokyo referred to above as soon as we are in possession of the views of the Japanese Government. Any further observations which your Excellency may have to make by telegram will accordingly be welcomed.

For convenience of reference I enclose a copy of Tokyo telegram No. 193,³ Confidential, to which my telegram referred to above is a reply.

I am, &c.

CURZON OF KEDLESTON

¹ No. 41.

² No. 24.

³ No. 36.

No. 43

Sir A. Geddes (Washington) to Earl Curzon (Received June 6, 3 p.m.)
No. 429 Telegraphic [F 1043/199/23]

WASHINGTON, June 5, 1920 [7 p.m.]

Your telegram No. 185 to Tokio.¹

In view of repeated and misleading rumours appearing in American Press it is very desirable that statement should be made either in London or here as soon as possible emphasizing that the Alliance is not to be renewed but merely not allowed to expire pending the meeting of the Imperial Conference.

¹ No. 41.

No. 44

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 6, 11.12 a.m.)
*No. 216 Telegraphic [F 1042/199/23]**

TOKYO, June 5, 1920, 11 p.m.

Minister for Foreign Affairs told me to-day that he will have to reply to questions about alliance when Diet meets at end of this month, and that he wishes to have a conversation with me on the subject somewhat later. Has your Lordship any instructions?

Minister for Foreign Affairs spoke of making a general statement that renewal of alliance was under discussion between two Governments, but evidently wished to add some such phrase as 'there is every hope that a satisfactory arrangement will be made without great delay'.

Press is almost unanimously in favour of renewal.

No. 45

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 10, 9.30 a.m.)
*No. 218 Telegraphic [F 1062/199/23]**

TOKYO, June 8, 1920, 10 a.m.

Following is text of proposed note to League of Nations:¹

'Governments of Japan and Great Britain have come to conclusion that the Treaty of Alliance now existing between their two countries, though in harmony with spirit of Covenant of League of Nations, is not entirely consistent with letter of that Covenant, which both Governments earnestly desire to respect.

'They accordingly have honour jointly to inform League that they recognise the principle that said treaty can only be continued after July 1921 in a form which is not inconsistent with that Covenant.'

¹ See No. 46 below: these two telegrams were despatched in reverse order.

No. 46

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 9, 10.35 a.m.)
*No. 217 Telegraphic [F 1056/199/23]**

TOKYO, June 8, 1920, 10 p.m.

Your telegram No. 185 of 3rd June, received 7th June.¹

Minister for Foreign Affairs expressed his cordial agreement with your proposal. It is suggested that two identically worded notes should be also² addressed to League of Nations, and that text should be as in my immediately following telegram (No. 218 of 8th June).³ Minister for Foreign Affairs approves of this wording personally, but would [must]⁴ submit it to consideration of Japanese Cabinet, and hopes that your Lordship will also state [telegraph]⁴ your views. He understands that question of renewal cannot be decided until Dominions have been consulted . . .,⁵ but he evidently disliked idea of inserting in communication sent to League of Nations any phrase implying that perhaps treaty will not be renewed in any form. Draft submitted to them⁶ follows closely wording of your telegram, and seems to give all assurances which League can require.

¹ No. 41.

² In the text as sent this word read 'simultaneously'.

³ No. 45.

⁴ Wording as sent from Tokyo.

⁵ The text received was here uncertain. The text as sent read: 'this autumn'.

⁶ The text as sent read: 'The draft submitted above'.

No. 47

Sir B. Alston¹ (Peking) to Earl Curzon (Received June 11, 1.40 p.m.)
No. 287 Telegraphic [F 1085/479/10]

Very urgent

PEKING, June 10, 1920, 8.45 p.m.

Sir J. Jordan's despatch No. 93.²

Ministry of Communications (? wrote) on June 2nd to Mr. Mayers³ offering to consent on certain conditions to proposals made by Sir J. Jordan in letter to Ministry of February 29th⁴ for grant to British [and] Chinese Corporation (? of) preliminary agreement for construction of Nanchang-Chaochowfu railway with extension to Amoy and Foochow and from Foochow back to (? Amoy).⁵

Conditions in themselves do not present insuperable difficulties and Mr. Mayers who is now on the way to England is prepared to accept them

¹ Mr. Alston had been knighted on June 3.

² Of Feb. 24, not printed.

³ Representative of the British and Chinese Corporation, Ltd.

⁴ The text of Sir J. Jordan's letter was later transmitted to the Foreign Office in Peking telegram No. 316 of July 3, not printed.

⁵ The Far Eastern Department commented that 'Amoy *must* be wrong' and suggested reading 'Nanchang'.

(? subject to) certain amendments. Ministry has asked for reply by June 16th but I have (? asked) Mr. Mayers' representative to find pretext for an extension in order to allow of reference to you. See Tokio telegram to Foreign Office No. 154 1915⁶ from which it would appear that Japanese Government were informed on February 22nd 1914 that His Majesty's Government recognized Japanese claim to Fukien-Nanchang line. I can find no record of any subsequent cancellation of such recognition or whether it was present to mind of Sir J. Jordan's [*sic*] when he addressed letter on February 29th to Ministry. Present proposal therefore to give this line to this corporation (even in cooperation 'with American and (? European) and other financiers' as stipulated by Ministry) would seem certain to bring us into direct conflict with Japanese Government.

Might I suggest that Sir J. Jordan be consulted and that early instructions be sent to me?

⁶ Not printed.

No. 48

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 196 Telegraphic [F 1080/19/10]**

Very urgent

FOREIGN OFFICE, *June 12, 1920, 8 p.m.*

My telegram No. 180 of 29th May.¹

In view of Peking telegrams Nos. 282 of 8th June² and 286 of 10th June,³ you may, if you think fit, immediately sound Japanese Government on the lines of my telegram No. 474 of 27th May to Washington.⁴

Your Excellency should at the same time inform Japanese Minister for Foreign Affairs that very disquieting rumours have reached us regarding Japanese intentions in connection with the Chinese Eastern Railway, and you should tell his Excellency that, whilst we sympathise with the necessity to keep communications open with Chita and to protect Korea from a possible Bolshevik advance, yet, as an ally of Japan, we trust that no action affecting the *status quo* in China will be taken without previous consultation with His Majesty's Government (see Tokyo despatch No. 164 of 31st March).⁵

Repeat to Peking. (Repeated to Washington, No. 514, and Paris.)⁶

¹ No. 39.

² Not printed. This reported information from the U.S. Legation at Peking to the effect that 900 Chinese bandits had been armed by the Japanese between Harbin and Pogradich-naya.

³ Not printed. This communicated a further report from Harbin that the Japanese were preparing to take over the Chinese Eastern Railway.

⁴ No. 38.

⁵ Vol. VI, No. 800.

⁶ In Foreign Office telegram No. 515 of June 12 Lord Curzon instructed Sir A. Geddes: 'You may speak to State Department privately and informally in connection with first paragraph of my telegram No. 196 of 12th June to Tokyo.'

*Sir C. Eliot (Tokyo) to Earl Curzon (Received June 18, 9.20 a.m.)*¹

*No. 229 Telegraphic [F 1190/19/10]**

TOKYO, June 14, 1920

On receiving your telegram No. 196 of 12th June² this morning I called on the Minister for Foreign Affairs who repeated assurances already conveyed in my telegram No. 227 of 12th June.³ He agreed to the principle that no action affecting the *status quo* in China should be taken without previous consultation with His Majesty's Government, and authorised me to deny the rumours to the effect that the Japanese Government are concentrating troops at Mukden, or preparing any *coup* in Manchuria or on the Chinese Eastern Railway.

With regard to the three points in your telegram No. 474 of 27th May to Washington,⁴ he agrees that Inter-Allied Committee and Technical Board should continue to act at Vladivostok and Harbin, and that present system of guarding the line should also continue. By this system protection of the line is entrusted mainly to Chinese troops, who are supplemented by Japanese detachments at principal stations such as Harbin and Hailar.

He considers financial arrangement created by Inter-Allied Agreement of January 1919 is still in force, except that France and Great Britain are not contributing funds. Japan is, however, ready to contribute jointly with America as suggested.

He could not agree to asking consortium to finance railway without first consulting the Cabinet. He thought Chinese and Russians might raise objections which it would be difficult to satisfy. He promised to let me have an answer as soon as possible, but he evidently either objected to proposal himself or anticipated serious opposition from his colleagues. I subsequently spoke about consortium to Baron Hayashi, Ambassador designate to London. Unlike Minister for Foreign Affairs, he saw no difficulties in proposal that consortium should finance the railway, and said he would speak in its favour. I have not much confidence in stories of intercepted telegrams which come from Siberia. To the best of my belief no British or American official there of any importance could read such messages in Japanese, and they were probably misled by untruthful interpreters.

¹ This telegram was received with several corrupt passages. The version here printed is an amended copy sent from Tokyo on Aug. 31 and received in the Foreign Office on Oct. 5.

² No. 48.

³ Not printed. In this Sir C. Eliot reported that the Minister had authorized him 'to state that Japanese Government have no idea of attempting to change present system of guarding and working Chinese Eastern Railway'.

⁴ No. 38.

No. 50

Sir A. Geddes (Washington) to Earl Curzon (Received June 16, 10 a.m.)
No. 444 Telegraphic [F 1179/19/10]

WASHINGTON, June 15, 1920, 1.52 p.m.

Your telegram No. 504.¹

United States Ambassador has arrived² but not Lamont. He will be here soon and Conference will take place within a week.

Ambassador's view which he believes is shared by Lamont is that proposed financing by Consortium will be strongly opposed by Japanese but that if United States of America, French and British Governments all united to press strenuously Japanese Government might be induced to agree. State Department is heartily in favour of proposed method of financing. They believe, failing some arrangement which will really put Chinese Eastern Railway under an effective (? trustee)ship, all that hitherto [has been] achieved for Consortium in way of eliminating reservations of special interests will be jeopardised.³

¹ Not printed.

² i.e. the U.S. Ambassador at Tokyo; cf. No. 40, n. 4.

³ In his telegram No. 464 of June 20 (not printed) Sir A. Geddes reported that 'Conference was held yesterday and confirmed views set forth' in the foregoing telegram. 'United States Ambassador in London is being instructed to ask you to approach French Government with a view to securing their co-operation in pressing Japanese Government to assent to financing of Chinese Eastern Railway by Consortium.' For these instructions, see *F.R.U.S.* 1920, vol. i, p. 696.

No. 51

Earl Curzon to Sir C. Eliot (Tokyo)
No. 202 Telegraphic [F 1092/199/23]

FOREIGN OFFICE, June 16, 1920, 1 p.m.

Your telegram No. 218.¹

Text appears to us unobjectionable and we propose immediately to address notes to League in conjunction with Japanese Embassy.

¹ No. 45.

No. 52

Sir C. Eliot (Tokyo) to Earl Curzon (Received July 23)
No. 296 [F 1559/199/23]

My Lord,

TOKYO, June 17, 1920

With reference to my despatches Nos. 243,¹ 278 and 290,² I have the

¹ Of May 14, not printed. This had, with reference to Mr. Alston's despatch No. 164 of March 31 (Vol. VI, No. 800), transmitted a copy of a communication from the Japanese Minister for Foreign Affairs conveying an assurance that his government intended 'to communicate frankly with His Majesty's Government, as they have done in the past, on matters which they deem necessary to be notified to them'.

² Of June 7 and 11 respectively, not printed.

honour to submit to Your Lordship a few observations on the general question of renewing the Treaty of Alliance now in force between Great Britain and Japan.³

In the present state of negotiations it seems premature to enquire what should be the exact scope or terms of a new Treaty brought into harmony with the League of Nations and I propose to limit myself to considering the reasons for and against the continuation of any Alliance, and to enquire whether it would be well at the present juncture to let Great Britain and this country drift apart.

It is possible that in the forthcoming session of the Diet the proposal to renew the alliance may be criticised for party motives but all the important personages in the political world whom I have had an opportunity of meeting have expressed in public utterances or private conversation their hope that the Treaty relations at present existing between our two countries will continue. Prince Yamagata, the chief of the Genro or Elder Statesmen, whose opinion carries great weight both at the Court and in political circles, spontaneously informed me that he was strongly in favour of renewing the Alliance and that it was a relief to him to know that a preliminary discussion on the subject had already begun between Viscount Uchida and myself. The press is also practically unanimous in approving renewal. The few exceptions which I have noticed seem due to a desire to be unconventional or to prove that even the best case has two sides.

This favourable feeling towards the Alliance is to some extent the result of sentiment and pride, for it pleases the Japanese to think that they are on the same footing as the Great Powers because they are the Ally of one of them. They fear that if the Alliance were terminated by Great Britain, they might seem to be considered as less important than formerly and rather than be placed in such a position they might themselves take steps to terminate it. But that would be an act of despair and the chief impression that I have derived from my conversations with Viscount Uchida is that in order to preserve a dignified and friendly position they will consent to almost any alteration of the treaty which will render it unobjectionable to the League of Nations, Australia and America.

But apart from such sentiments of gratified or wounded pride, there is a very real fear of isolation. Whatever might happen in the future should the existing Alliance lapse, it could hardly be convenient to Japan to make any immediate pact with Russia or Germany and she might find herself alone and face to face with the united hostility of Great Britain and America. I am told by an official of this Embassy who has recently been making a tour in Kobe and the neighbourhood that there is a widespread apprehension that Japan may soon be forced into war with the United States, although there is no desire to provoke this or any other conflict. On the contrary it is generally hoped that a continuation of the Alliance with Great Britain will lead to a better understanding with America.

When I turn to consider what Great Britain will gain from a renewal of the

³ Cf. No. 36.

Alliance, I must admit that my views are coloured by my personal experience. I was at Hong Kong during the greater part of the War, and I feel that but for the action of the Japanese, that colony and perhaps Singapore might have been captured by the Germans. More than this, it is admitted that this same action assured the safety of Australia, New Zealand and the Pacific coast of Canada. I cannot be so optimistic as to believe that the League of Nations has removed the risk of war for a long time to come and, in the event of war, an Alliance with Japan might again give us immediate and direct assistance. Nor do I attach very great importance to the argument that Japan proved a lukewarm Ally in the late conflict and therefore must be considered untrustworthy in the future. In the printed memoranda with which Your Lordship has furnished me⁴ it is stated that she kept her word and gave all she was bound by Treaty to give, while it is admitted that at the beginning of the War His Majesty's Government desired to impose restrictions on Japan's activity as a belligerent 'which could hardly fail to be galling to a high-spirited nation', and were 'primarily the cause of the bad relationship which from that moment began to arise between the two countries'. I have also heard here that the search of Japanese ships by British men-of-war in 1916 intensified the feeling of the Japanese that they were not receiving the treatment that an Ally might expect and caused an irritation that they made no attempt to conceal. But if we pay attention to their susceptibilities I see no reason to doubt that they will show as much loyalty as is usual in international relations.

The second advantage which we might gain from a renewal of the alliance is a greater power of controlling Japan's foreign policy than we should have if we were not united by any tie justifying the expectation of a confidential exchange of ideas respecting important questions of policy. This applies not only to Japan's designs on China, but to her intentions in the Pacific, Siberia and other regions. It is of course hardly to be expected that friendly advice from an Ally will make a nation renounce a policy on which the majority of the population have set their hearts but there is a great difference between the real aspirations of the people and the policy which may be forced on them. If such a policy has to be abandoned, the change need not produce any national discontent. Now in Japan what appears to be the national policy is often merely a scheme originated by cliques or individuals. There is no country in the world where apparently subordinate officials are given so free a hand, or where the military authorities have so independent a position. For instance I believe that at present the general public and civilian officials are as a whole sincerely averse from all military expeditions especially in Siberia, but it would not be safe to say that the aversion is shared by the military authorities. It is in supporting this general pacific tendency and strengthening the hands of the civil administration that the influence and intimacy which ought to be the consequence of the Alliance might render valuable service to our Empire. There can be no doubt that democratic sentiment and popular interest in international questions are

⁴ See e.g. Vol. VI, Nos. 522 and 761.

growing in Japan. The mercantile classes are beginning to realise that high politics are not entirely divorced from commerce and that the Chinese boycott is a very disagreeable result of a forward policy in China.

But one condition is indispensable for any such result, namely that our relations with the Japanese should be really cordial. Many British subjects have personal friendships with Japanese but as a rule British officials and merchants in the Far East, especially on the mainland of Asia, show an open dislike of the Japanese Government and all its actions, which seems to me hardly sane and certainly most injudicious. Such people regard any advantage that may be gained by the Japanese—who are still our Allies—as a direct menace to the British Empire. I have heard British military and naval officers of high rank openly describe the Japanese by vulgarly abusive epithets and such outbursts of course come to the ears of Japanese officials, who take their revenge in petty tyranny and aggravating interference when the opportunity offers. Such annoyance produces much ill feeling and the Japanese are seen at their worst when exercising their authority in foreign countries, such as Siberia and Shantung, because their ignorance of foreign languages and foreign habits leads to continued misunderstandings. But though I remember several cases in Siberia (such as attempts to stop and search the special trains of foreign officials) in which the action of Japanese subordinate officers was offensive and threatened to provoke serious international incidents, yet I found the conduct of the higher officials such as General Otani and Mr. Matsudaira⁵ invariably courteous, straightforward and conciliatory. I do not think that in my diplomatic experience I have ever met with more honourable and reasonable colleagues.

If the Alliance is to be of any use, we must make use of the good qualities of the Japanese and treat them frankly and cordially. The nation has lost credit of late years, owing to the number of *parvenus* engaged in both politics and commerce, who have no good traditions to guide them and rely on mere cleverness or trickery to obtain their immediate gains. But I believe that there is still a considerable number of statesmen who preserve a high standard of honour and sagacity and are able to distinguish between sound policy and ephemeral successes. But such men expect to be consulted and are unwilling to accept intimations that they have to follow the course prescribed by other Powers: they are keenly sensitive to acts or language which imply that Japanese are really inferior to Europeans, that they have not the same ideas of integrity and that their assurances cannot be trusted.

If we do not renew the Alliance shall we lose any advantages which we now possess? In the event of war, we should, so far as I can judge, be unable to defend Hong Kong, and other of our possessions might be in an uncomfortable position. It is also to be feared that the termination of our old relations, unless effected in a very skilful manner, would strengthen and embitter the anti-British elements in Japan and these might take pleasure in wantonly obstructing and embarrassing British interests. I agree with some

⁵ Respectively commander of the Japanese forces in Siberia and Japanese Commissioner at Vladivostok.

remarks made by Viscount Kato in an interview which has been published in the press here:

‘Perhaps it would be unnecessary,’ he is reported to have said, ‘to make the Alliance now if it were being proposed for the first time; but it has been in existence for twenty years and it has been useful to both countries. If it is not renewed, the position will not be the same as if it had never been made. The tendency will be for the two countries to drift apart. If the necessity for an Alliance should arise in the future, it would be more difficult if there has been an interruption of these close relations.’

But the danger which is most important and most seriously discussed is the possible formation of a German-Japanese or Russo-German-Japanese Alliance. As already mentioned this is hardly conceivable at the present moment, and unless the condition of Russia undergoes a great change, the fear of introducing Bolshevism in Japan would be a powerful deterrent to the oligarchic and military party which would naturally take a special interest in the formation of new international combinations. But I cannot help feeling that the Japanese have a real sympathy not perhaps with German aims but with German methods. Their Court, army and other institutions have been rearranged on German models, and many soldiers and diplomats have studied in Germany. I shall be greatly surprised if Dr. Solf who is now on his way here as German representative does not at once attempt to bring about a *rapprochement* between the two countries and do all in his power to separate Great Britain and Japan. In spite of the fear of Bolshevism, Japan, if she believed herself to be threatened by Great Britain and America, might join in a tripartite Alliance, should the Germans ultimately prove able to take Russia in tutelage, and it is perhaps unwise to suppose that only the military and oligarchic party could make such an Alliance. There are revolutionary tendencies in Japan as well as in Germany and the three Powers might unite in a combination which for want of a better terminology might be described as both Bolshevik and militarist.

One aspect of the hostility of Japan, whether acting alone or in concert with Germany, is the effect that it might have on our Asiatic possessions. I do not think that we should treat the possible effects of Japanese ill-will in India as negligible, and since the Bolsheviks are at present strong in Turkestan and Central Asia, and are disposed for their own purposes to create trouble in India, a deliberate attack on India from those regions can hardly be regarded as impossible in the future.

Lastly it remains to enquire what are the objections to continuing the Alliance. The most weighty of them is that it might be displeasing to the United States and injuriously affect our relations with them. It is perhaps fortunate for us that we need not renew the Treaty until the Presidential campaign is finished and American politics are in a normal condition. My acquaintance with Washington is of so ancient a date that I hardly feel competent to express any opinion as to the temper of America in such matters but from observation in the Far East I should have thought that, though

there are many Americans who would object to the Alliance, such persons are chiefly of an inferior class and that the more important personages, whether diplomatists, military officials, financiers or commercial magnates, would take a reasonable view of the arrangement. America neither owns nor wishes to own territory on the continent of Asia: her desires must be for peace and commercial facilities, and from that point of view why should she object to an agreement which has for its object the maintenance of harmony between two great Asiatic Powers, especially as the influence of Great Britain must tend to promote the policy of the open door and to discourage any aggressive designs which Japan may cherish against China?

I spoke on one occasion to Viscount Uchida about the suggestion made in various newspapers that America might have some part in the Alliance. He replied that he did not see how the United States could become a party to it in view of their well-known objection to commitments abroad, but that there would be no objection from the Japanese side to consulting them as to the terms of the Treaty and ascertaining that it was not displeasing to them.

Any objections which might arise from the fact that the text of the Alliance as it stands is not in complete concordance with the Covenant of the League of Nations are, as Your Lordship is aware, being dealt with at present,⁶ and I anticipate that there will be no serious difficulty. It has been argued that the Alliance if not contrary to the League is at least superfluous, inasmuch as it takes over the work which ought to be performed by the League itself in the Far East. But to this the Japanese press replies that at the present moment, when America is not even a member of the League and almost every country in Europe presents problems which demand immediate and prolonged attention, it is hard to believe that the League will be able to restore order in these distant regions should disturbances occur.

Some apprehension is felt here as to the possible result of consulting the Dominions, but the objections of Canada and Australia, as far as they can be gathered from the press (which is my only means of learning their nature), seem to confuse the two questions of renewing the Alliance and of permitting Japanese immigration. The latter question is quite separate and has always been treated so by Viscount Uchida on the rare occasions when he has mentioned it to me. If the Japanese were to plead that the existing legislation of Australia and Canada respecting immigration is incompatible with a proper Alliance the position would be difficult. As it is, they appear to accept that legislation in silence and to be anxious to conclude an Alliance covering quite different ground. So far as I can judge, an Alliance such as is contemplated cannot but be beneficial to our Dominions, for at least it must tend to moderate any ambitions of the Japanese in the Pacific, which would be obviously detrimental or disagreeable to their Allies.

A somewhat similar answer meets the argument that Japan's intentions in China are aggressive and antagonistic to our interests. So long as we have an Alliance, possibly including special stipulations as to China, it is more easy for us in case of need to address remonstrances and ask for explanations

⁶ See Nos. 36, 41, 42, 45, and 46.

than it would be if we were connected by no special tie and, worse than that, had broken the ties which formerly existed.

Perhaps the most serious charge brought against the Japanese and the principal cause of the hostility felt by British merchants in all parts of the Far East is the accusation that they will not follow the policy of equal commercial opportunities but persistently resort to unfair and insidious methods in order to favour unduly Japanese merchants and injure or expel foreign competitors. I have discussed this question with Viscount Uchida and Baron Hayashi. They deny the allegation and say that the demand for an open door comes oddly from countries which refuse to admit Japanese. But both of them seemed willing to insert some more detailed clause in a new Treaty respecting the policy of equal commercial opportunities and Baron Hayashi was particularly candid in his admission that the commercial policy of his country in the past had been largely mistaken.⁷

I have, &c.

C. ELIOT

⁷ Sir E. Crowe, Assistant Under-Secretary of State for Foreign Affairs, on July 31 commented that the foregoing despatch was 'good reading and carries conviction'. Lord Curzon added on Aug. 1: 'It is a good general statement of the case, but says little or nothing about China or India.'

No. 53

Sir B. Alston (Peking) to Earl Curzon (Received June 25, 9.15 a.m.)

No. 295 Telegraphic [205812/11/57]

PEKING, June 21, 1920, 1.20 a.m.

Tokio telegrams Nos. 235 and 236.¹

Japanese Minister informed me few days ago that he believed that his Government intended to withdraw from Siberia very shortly. I observed that this announcement should prove satisfactory to party in Japan who were clamouring for retrenchment of Military expenses in Siberia as well as to Russia who claimed that continued presence of Japanese in Siberia was cause of international and internal conflict and a hindrance to a settlement of Siberian question. Japanese Minister contended that Bolshevik propaganda was answerable for accusations against Japan. I said that as avowed reason for Japanese remaining in Siberia, viz: protection of Czechs, had now practically disappeared their withdrawal could be carried out without loss of face and propaganda should then cease.

Japanese Minister emphasized the fact that chief concern of his Government was now to prevent the spread of Bolshevik propaganda across Korean frontier.

Neither Japanese Minister nor his Military Attaché have information of reported arming of Hungtutze,² as to which I questioned them, but neither . . . any³ and, although reports which reach Peking from different directions

¹ Of June 19, not printed.

² Chinese bandits; cf. No. 48, n. 2.

³ The text is here uncertain. A printed copy of this telegram read: 'neither (? had) asked for any'.

cannot be entirely disregarded, I do not place implicit reliance on those received from American services. On the other hand I am certain that the statement that no Chinese troops are available for guarding of Shantung Railway is entirely incorrect.⁴

On the same occasion Japanese Minister discussed present situation in China and suggested that opportunity should be taken by representatives of Powers to renew previous warnings.

I merely said then that I should be happy to co-operate but my personal opinion is that best course of action would be to utilise opportunity offered by proposed communication to China on formation of consortium (see my immediately following telegram).⁵

Repeated to Tokio.

⁴ This statement had been made by the Japanese Minister for Foreign Affairs to Sir C. Eliot, as reported in Tokyo telegram No. 235.

⁵ No. 54 below.

No. 54

Sir B. Alston (Peking) to Earl Curzon (Received June 24, 10 a.m.)

No. 296 Telegraphic [F 1233/2/10]

PEKING, June 21, 1920, 4.30 p.m.

Your telegram No. 199.¹

On your² (? explanation) contained in Tokio telegram No. 208³ there seems no purpose in protesting in regard to Nanking incident.

As copies of letters between Japanese banking group and Mr. Lampson⁴

¹ Of June 2, not printed. This had referred to the report by Mr. Alston, in his telegram No. 270 of May 28 (not printed), that the Japanese Consul at Nanking had distributed 'a Chinese document purporting to be a statement issued by Japanese Foreign Office', explaining its views on the consortium. Lord Curzon had invited Mr. Alston to consult with his U.S. and French colleagues about making a protest to the Japanese Minister at Peking. He also said that the action of the Japanese Consul seemed 'to emphasise advisability of making some official notification to China at this stage on the part of the Consortium Powers. There does not appear to be any question of advances at present, but if you still consider . . . that no mention of Consortium should be made to Chinese Govt. please state your reasons more precisely.' In his subsequent telegram No. 214 of June 22 (not printed) Lord Curzon said that, in view of the official statement (of May 12) issued by the Japanese Government, 'it seems to us more than ever desirable that something should be said soon to the Chinese Government about the Consortium'. The Japanese statement had expressed the confident hope that now 'that the new consortium is at last to be called into existence . . . the people of China as well as of Japan . . . will lend their every support to the present international undertaking'.

² In the Foreign Office it was suggested that this should read 'the'. The text received at Tokyo read: 'In view of the explanation'.

³ Of June 2, not printed. Sir C. Eliot said he had made private enquiries at the Japanese Ministry of Foreign Affairs, who 'say Consul has no instructions for distribution of any such document'—i.e. any such document as that referred to in n. 1 above.

⁴ In the Foreign Office it was suggested that this should read 'Lamont'. For the letters of May 11, 1920, see *F.R.U.S. 1920*, vol. i, pp. 555-7.

have now reached Peking and as Wai-Chiao-Pu recently asked American Legation for details of (? Manchurian)⁵ agreement, opportunity now exists for making official (notification) to China on the part of Consortium Powers.⁶

My American colleague having agreed to hold his reply pending a conference of four Ministers, which I suggested might result in our being able to adopt it as our joint communication to Chinese Government, my French colleague and I are only awaiting receipt of instructions by our Japanese (? colleague who) had then to join conference.

My American and French colleagues agree that proposed reply should enclose copies of letters exchanged and also contain clause urging Chinese Government to submit such a programme of reconstruction which would enable consortium fundamentally⁷ to assist in termination of present internal chaos (see last sentence of my immediately preceding telegram).⁸

Repeated to Tokio.

⁵ In the Foreign Office it was suggested that this should read 'Consortium'.

⁶ See *F.R.U.S.* 1920, vol. i, pp. 545-59.

⁷ In the text received at Tokyo this word read 'funds'.

⁸ No. 53.

No. 55

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 24, 11.35 a.m.)

*No. 239 Telegraphic [F 1225/199/23]**

TOKYO, June 22, 1920, 8.40 a.m.

Your telegram No. 202 of 16th June.¹

Japanese Cabinet to-day approved text of proposed communication to League of Nations, except that they wish word 'agreement' to be substituted for 'treaty' or 'Treaty of Alliance', because title of instrument describes it as an agreement. Minister for Foreign Affairs suggests that a preamble might be added making it clear that² agreement is meant.

Instructions are being sent to Japanese Ambassador in London to make the communication to League before end of month if possible, since Diet meets then and Government expect to be questioned as to what they have done.

¹ No. 51.

² In the text as sent this word read 'what'.

No. 56

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 26, 9 p.m.)

No. ? 240 Telegraphic [F 1256/19/10]

Confidential

TOKYO, June [22], 1920

Your telegram No. 203¹ and my telegram No. 229.²

I spoke to Minister for Foreign Affairs to-day about Siberia and he practically said that for reasons of party politics he dare not now propose that

¹ This was a repetition to Tokyo by the Foreign Office on June 17 of No. 50.

² No. 49.

Chinese Eastern Railway should be financed by consortium. Position is that strong attack against (? present) (? Government) is being prepared in connection with massacre[s]³ at Nickolaieffsk.⁴ Though it is probable that there is no widespread popular indignation and that demonstrations are organized by opposition, and though Minister of War shows no sign of deserting his colleagues, yet political crisis is regarded as serious and (? any) [every]³ step taken by Government in Siberia will be criticized and probably misrepresented. Minister for Foreign Affairs evidently fears that he may be scapegoat and be told that his policy has ended in provoking a massacre and sacrificing Japanese interests in railway. He admits that consortium is a purely financial concern but says that ordinary Japanese politicians do not recognize this. He spoke vaguely of considering question later but vouch (? safed) [gave]³ no promise. He repeated his assurances that Japan desires no territory in Siberia.

I understand that Japanese agent at Vladivostock has not gone to Chita and that attempts are being made to negotiate with three Siberian Governments at Vladivostock but I fancy that there is great confusion at Foreign Office about all Siberian questions and that Viscount Uchida's position is precarious.

³ Wording as sent from Tokyo.

⁴ A further massacre of Japanese citizens had taken place in May 1920; cf. also No. 8, n. 3.

No. 57

Earl Curzon to the French Ambassador¹

[F 1206/19/10]*

Confidential

FOREIGN OFFICE, June 26, 1920

Your Excellency,

I have the honour to refer your Excellency to a note which the French Ministry for Foreign Affairs addressed to His Majesty's Embassy at Paris on the 27th April last respecting the regrettable incidents which had occurred along the Chinese Eastern Railway.²

In that note the French Minister for Foreign Affairs stated that, whilst not wishing to take the initiative in these remote regions, the French Government were ready to associate themselves with such steps as His Majesty's Government might suggest. They were also convinced that it would be easy to reach an amicable arrangement with the Japanese Government with the view of assuring the maintenance of order along the railway and of safeguarding the important interests possessed by the various Allied Powers in the Chinese Eastern Railway.

His Majesty's Government have been considering various schemes in order to reach a settlement satisfactory to all concerned, and the following suggestion appears to them most likely to prove acceptable:

¹ M. Paul Cambon.

² See No. 20.

1. That the Inter-Allied Railway Agreement of January 1919¹ be maintained, with the committee at Vladivostok and the Technical Board of experts sitting at Harbin. This would, in fact, be an attempt to continue the policy embodied in article 6 of the memorandum attached to the Railway Agreement, and to administer the railway in the interests of the Russian people in spite of the fact that most of the Allied forces have been withdrawn.

2. That the protection of the railway be entrusted to Japan and China jointly, these being the only Powers having the necessary forces available.

3. That, in view of the financial difficulties of the railway, the groups representing the four consortium Powers be asked to undertake to finance it; but, as they are not likely for the present to be in a position to do so, the Americans and Japanese undertake jointly to carry the preliminary advances.

The above suggestions have been tentatively submitted to the United States and Japanese Governments. The former are in entire agreement, and fear that, failing some arrangement which will really put the Chinese Eastern Railway under an effective trusteeship, all that has hitherto been achieved for the consortium in the way of eliminating reservations of special interests will be jeopardised.

The Japanese Minister for Foreign Affairs agreed upon points 1 and 2, but appeared to find some difficulty in agreeing to point 3, fearing that objections might be raised by the Chinese and Russians or from some other quarter. It is, nevertheless, still hoped that the Powers chiefly interested may be able to reach some friendly arrangement upon this point.

As regards the financial difficulties, from information which has reached His Majesty's Government it appears that the outstanding debts to the railway at the end of April amounted to—

French, 398,722 in gold dollars;

Czech, 3,235,910 in gold dollars;

Japanese (approximately), 426,969 in gold dollars.

It will be within your Excellency's recollection that on the 2nd July last it was agreed in Paris that the French Government should be responsible for the provision of funds for the upkeep of the Czecho-Slovak forces in Russia, whilst His Majesty's Government were to be responsible for their transportation by sea.⁴ It has accordingly been suggested that the situation would be considerably facilitated if the French Government could see their way in some manner to meet this indebtedness.

I have the honour to request your Excellency to be good enough to favour me with the views of the French Government upon the various suggestions made in this note at your earliest convenience, and His Majesty's Government sincerely trust that they can count upon the whole-hearted support of the French Government in this matter.

I have, &c.

CURZON OF KEDLESTON

¹ See Vol. III, No. 256, Annex B; cf. No. 27 above, n. 5.

⁴ See Vol. III, No. 256, Annex D.

No. 58

Earl Curzon to Sir B. Alston (Peking)

No. 219 Telegraphic [F 1254/2/10]

Most urgent

FOREIGN OFFICE, *June 30, 1920, 8 p.m.*

Your telegrams Nos. 296¹ and 305² and my telegram No. 217.³

We agree to principle of joint note to Chinese Government notifying the re-constitution of consortium with least possible delay.

We do not understand proposal to communicate exchange of letters with Japanese Group which deals with matters of financial detail concerning groups only. We consider it essential that Chinese Government should be furnished with carefully drafted statement outlining generally scope and objects of consortium as re-constituted the fact being emphasised that it is not a new creation. Actual details seem to be unnecessary at this stage. As Chinese Government and public may be predisposed to regard new arrangement critically care should be taken to create best impression. Mr. Lansing's note of October 8th, 1918 might prove useful as a model (see Foreign Office despatch No. 290 of November 6th, 1918).⁴

The Groups are to meet in New York next September to consider the Economic State of China and to discuss such remedies as may be considered appropriate under the circumstances. We are opposed for the present to warning Chinese Government or inviting them to submit programme of reconstruction as this might raise hopes which the Groups are not yet in a position to fulfil.

In your telegram No. 269⁵ you deprecated advances to present Chinese Government except possibly for construction work on certain railways and it is difficult to reconcile this with last paragraph of your telegram No. 296.

Subject to due consideration being given to these points you are authorised to act to the best of your judgment.

¹ No. 54.

² Of June 26, not printed.

³ Of June 28, not printed.

⁴ For Mr. Lansing's note, see No. 40, n. 6. Foreign Office despatch No. 290 of 1918 is not printed.

⁵ No. 37.

No. 59

Mr. Clive¹ (Peking) to Earl Curzon (Received September 3)

No. 478 [F 2051/199/23]

My Lord,

PEKING, *June 30, 1920*

With reference to my despatch No. 411 of the 4th instant² transmitting copy of a despatch from His Majesty's Consul-General at Shanghai forwarding

¹ Counsellor of H.M. Legation at Peking and Chargé d'Affaires during Sir B. Alston's leave of absence, June 30–Dec. 9, 1920.

² See No. 26, n. 4.

petition addressed to Your Lordship by the Associated British Chambers of Commerce in China and Hong Kong on the subject of the renewal of the Anglo-Japanese Alliance, I have the honour to enclose translation of an open letter which appeared in a Peking newspaper of the 12th instant on the same subject, together with copy of a letter sent to me by the editor.³

The open letter appears to me a fair expression of enlightened Chinese opinion on the question.

I have, &c.

R. H. CLIVE

³ Not printed.

ENCLOSURE IN No. 59

Extract from the 'Wei I Jih Pao' of June 12, 1920

A FRIENDLY WORD TO SIR B. ALSTON, REGARDING THE ANGLO-JAPANESE ALLIANCE

The third Anglo-Japanese Treaty of Alliance expires on July 13th of next year, and, according to it, intention on the part of either side to terminate the alliance must be announced twelve months in advance. Its continuance or otherwise must therefore be decided before July 13th next. The matter has latterly been much discussed in the press of both countries and on both sides the tendency seems to be towards continuation. Moreover, in so far as a third country is not directly affected by it, there is no justification for such a country seeking to interfere.

In view, however, of the fact that the three Anglo-Japanese Treaties of Alliance all provide for the maintenance of China's independence and territorial integrity, of the history of the past two decades, and of the menace of Japanese encroachment on China which has shown itself since the European war, the effects of such a Treaty will be seen to be of great moment to China's national existence, and it is therefore necessary for the Chinese Government and people to make to Great Britain and Japan a clear and correct declaration of their attitude on the subject.

The new British Minister Sir B. Alston has long been known in China, Japan and Siberia as one well versed in Far Eastern affairs. We understand that the British Government have summoned him back to England in order to discuss with him the Anglo-Japanese Alliance. H[is] E[xcellency] is thus one of the principal personages connected with the question and his advocacy or opposition will certainly be of the utmost importance. His departure is now imminent and we would that this representative of a friendly country carry with him the views of our people, which we therefore make bold here to set forth as a parting word.

Our message is that this country would be gratified to see the termination of the Alliance. If continued in accordance with the Third Treaty, the whole Chinese people would oppose it. Not that they are hostile to Britain and Japan, but that if it be continued China would perish under the policy

of the Japanese party of encroachment and become an Eastern Balkans. In the provocation, which would then most readily take place, of a second great world war, Japan would be the aggressor and Great Britain would be to blame for having encouraged her. In the interests of their own country, in the interests of the world's peace, and in the interests of the good name of a friendly country, therefore, the Chinese people cannot but state their reasons as follows:

(1) The Shantung question is already one of life and death for China. Japan encroaches by *force majeure*, illegally seizes Tsingtau and the Railways and mines in the interior of Shantung, and when we enquire the origin of these evils we find the Anglo-Japanese Alliance has been the stepping stone to their accomplishment. For when Great Britain declared war with Germany Japan entered the war and availed herself of the Treaty to take part in the joint attack on Tsingtau. That place thus fell into Japanese hands and Japanese power immediately spread over the whole of Shantung, Great Britain being unable to utter a word. The Alliance was thus the instrument of Japan's encroachment. Japan received the concrete benefit, Britain enjoyed the empty glory, and China suffered the calamity. Great Britain injured another country without benefiting herself and was merely the puppet of Japan.

(2) The objects of the alliance are three (*a*) to ensure the peace of the East and India, (*b*) to protect the independence and territorial integrity of China and Korea, (*c*) to arrest Russian encroachment. Now Great Britain's position in India is so strong that Japan knows well she cannot enter there, so that there is no need for the Alliance to protect India. The Treaty's *raison d'être* is therefore to be found in (*b*) and (*c*), (*a*) being added to throw dust in the world's eyes. Now that Korea has been annexed, that country is not mentioned in the 2nd and 3rd versions of the Treaty. Russia has, since her revolution, been engrossed upon self-defence and has no time to encroach on other countries. Hence the arresting of Russia has also ceased to exist and [*? as*] an object. Thus the protection of China's independence and territorial integrity becomes the only remaining object of the Treaty. If the protection given China be similar to that of which Korea has been subject, then to protect a country means to destroy it. Japan with a stroke of the pen sentences China to death and Great Britain cheerfully acts as witness and countersigns it. The relations between Great Britain and China have hitherto been known as amicable, and the Chinese people consequently trust that this action does not proceed from Britain's true feelings and that she will not allow herself to become unwittingly the tool of another party.

(3) As has been stated, Russia is now incapable of encroaching on China. However, if the Alliance be not terminated or modified, Japan will still be in a position to prosecute her policy of encroaching in Manchuria and Mongolia as well as in Siberia using the Treaty as a pretext, and Britain will be bound by the Treaty to silent acquiescence. This should be apparent to our friend Great Britain in view of Japan's behaviour this last year in Manchuria, Mongolia and Siberia. Manchuria and Mongolia are China's fence

and if they are gone China is defenceless and cannot maintain herself. China must therefore strengthen her door in order to protect her defence, though her door is nevertheless wide open to all countries for the development of their trade and industry. Now that these parts are all reckoned by Japan as belonging to her special sphere of influence, other countries will gradually follow her lead, and the peace of the Far East will be broken. As regards the Siberian question the insoluble imbroglio in which the Powers find themselves in relation to Russia all arises from Japan's refusal to withdraw her troops. Sir Beilby Alston who has been stationed in Siberia knows this as well as anyone.

(4) Being an independent country China has, according to International Law, the right to be treated with respect and to preserve her dignity, but if the language of the three Anglo-Japanese Treaties be again used it will be an insult to China's dignity as an independent power. Moreover, China has now formally ratified the Austrian Treaty and thus joined the League of Nations, according to the 10th article of which Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. Great Britain is one of the chief powers to found the League, and Sir E. Grey,⁴ who signed the third Treaty with Japan on Great Britain's behalf, is one of the principal persons connected with the founding of the League. If she now makes a promise with Japan and contracts an unscrupulous treaty with that country it will be a violation of the principles of International Law, as well as of the spirit of the League, a thing this country would deeply regret.

(5) All friends of China in all countries consider that the Alliance must be abandoned, and especially the British people. Last year the Shanghai Chamber of Commerce Conference passed a resolution against its continuance, and Mr. Woodhead,⁵ in the 'Peking and Tien-tsin Times,' has written against it. Recently Mr. Bland has written even more strongly in the London 'Times,' pointing out that the Alliance was not only of no good to Great Britain, but would prove a seed of future trouble.⁶ He also declared that the most dangerous factor in Far Eastern politics was the militarist Government of Japan and that if this continued it boded ill for the Alliance, while if Japan maintained her aggressive policy she could not fail to be abandoned by all nations and to stand alone in the world.

The above lays bare the heart of the matter and shows that British subjects who thoroughly understand China's position are in sympathy with her.

⁴ Secretary of State for Foreign Affairs, 1905-16.

⁵ Editor of *The Peking and Tientsin Times*.

⁶ Mr. J. O. P. Bland, a well-known journalist and writer on Chinese and other affairs, had contributed a series of six articles entitled 'Far Eastern Problems' to *The Times* between May 24 and 31.

No. 60

*Mr. Clive (Peking) to the Chinese Acting Minister for Foreign Affairs*¹

[F 2009/146/10]

Sir,

[PEKING], July 3, 1920

With reference to the abolition of *likin* and increase of Customs duty, on which subject Your Excellency addressed Sir John Jordan in a note on February 23rd last,² I have the honour to acknowledge the receipt of your further note of the 2nd instant, requesting that I communicate with His Majesty's Government with a view to obtaining their agreement to the proposal at an early date.³

In reply I have the honour to inform Your Excellency that on February 27th last a copy of the former note was transmitted to His Majesty's Government, and that their reply is still awaited.

As regards the request of your Excellency's Government for preliminary revision of the tariff so that it agrees with the effective rate of 5% provided for by Treaty I have the honour to inform your Excellency that it is unlikely that it will be found possible to carry out such revision at any date earlier than the expiration of the period of two years from 1919 fixed on the occasion of the last revision.

I avail, &c.⁴

¹ A copy of this note was received in the Foreign Office on Sept. 1 as enclosure in Peking despatch No. 511 of July 17.

² A copy of this note had been transmitted to the Foreign Office under cover of Sir J. Jordan's despatch No. 104 Commercial (not printed) of Feb. 27. The note is not printed. *Li-kin* was a Chinese levy on the internal transport of goods; see W. W. Willoughby, *Foreign Rights and Interests in China* (Baltimore, 1927), vol. ii, pp. 748-57.

³ This note is also not printed.

⁴ Signature missing on filed copy.

No. 61

*Memorandum by Mr. Ashton-Gwatkin on Japan and the Open Door*¹

[F 2142/2142/10]*

FOREIGN OFFICE, July 7, 1920

The Policy of the Open Door in China

The Open Door is a standing jest and a bitter one among foreign commercial communities in the Far East, and the expression is usually qualified with the remark that it is open for Japanese only. The following definition of the Open Door is given by Overlach ('Foreign Financial Control in China'): 'The Open Door principal [*sic*] recognises the vested rights and "special interests" within such spheres of influence as long as a certain amount

¹ This memorandum by Mr. Ashton-Gwatkin of the Far Eastern Department was reissued, with the addition of a few notes and corrections, on Oct. 10, 1921, in view of the forthcoming Washington Conference.

of opportunity for others is preserved, that is, as long as the Chinese Treaty Tariff is indiscriminately applied, as long as treaty ports are kept open and as long as no harbour dues or railway charges are levied higher than those imposed upon subjects of the country in whose favour the "sphere" exists. The principle is also more or less opposed to the acquisition of a monopoly in the supply of railway materials and rolling stock.' This definition appears to be rather broader than the interpretation of the Open Door Policy as proposed by Mr. Hay, American Secretary of State, in his letter, circulated to the Powers in September 1899.² The weakness of this policy is the latitude of interpretation to which it is liable, and the difficulty of reconciling it satisfactorily with the concurrent policy of exclusive 'spheres of interest' or 'influence'. The American authority quoted above states concerning the British sphere of influence in the Yangtse Valley: 'British control in China, exercised exclusively by private corporations, is essentially financial and non-political. Its non-political character may be further illustrated by the fact that the Syndicate, in spite of its monopolistic rights, admitted non-British interests to participation in its privileges within the British sphere.'

But the selfish policy of Russia and Japan (and of Germany and France in a less degree) have [*sic*] rendered a generous interpretation of the 'sphere of interest' system unacceptable to those Powers.

Railway Policy and the Open Door

The Open Door in China is first and foremost a question of railways. Japanese policy in Manchuria, Shantung and Fukien is first of all a railway policy. If a single country possesses an exclusive railway enclave in the territory of a weaker neighbour, the district served by such lines is bound to become 'a sphere of influence', an exclusive preserve, a protectorate, a colony, and finally a possession of the beneficiary country, if that country so wills it. Eastern Asia shows instances of this process in all its different stages. Korea is definitely annexed. Kwantung Province is a colony, South Manchuria a protectorate, Shantung an exclusive preserve, Fukien a sphere of influence. In each case, the stages are marked by the development of railway construction. . . .³

'Accidental' and 'Illegitimate' Infringements of the Open Door in South Manchuria

From the above, it becomes perfectly clear that it is the fixed policy of the Japanese Government to create an exclusive sphere in South Manchuria to an extent which, in spirit if not in letter, is a deliberate violation of the Open Door policy, to which the Japanese Government has so often agreed in words. Further, it becomes equally clear that it is Japan's policy to extend this sphere, as opportunity may offer, into North Manchuria and East

² For the text of this letter and related correspondence, see *F.R.U.S. 1899*, pp. 128-42.

³ Two lengthy paragraphs, one containing an historical review of the development of Japan's railway policy in Manchuria since 1905 and the other, details of the activities of the South Manchuria Railway Co., are here omitted.

Mongolia. By far the most important of these violations has been the policy of exclusive railway concessions, which is the basis of the whole system of peaceful exclusion. To a certain extent, this policy may be denoted as a 'legitimate' infringement of the Open Door, inasmuch as it is upheld by treaty, and does not conflict with a certain literal interpretation of Secretary Hay's doctrine. We pass on to consider what may be termed 'accidental' and 'illegitimate' infringements of the Open Door.

These 'accidental' infringements all arise from the exceptional conditions which the exclusive railway privileges have brought about. It is clear at once that an enormous organisation like the Manchurian railway with its vast staff, its military garrisons, &c., must in itself serve to attract Japanese enterprise and immigration with an appeal, which is a deterrent to foreigners. The Japanese population in South Manchuria and Kwantung amounts to some 75,000⁴ (exclusive of troops), and a great demand is created for purely Japanese products. Japanese currency enforces itself more and more as the standard circulating medium. According to the United States consular report for Mukden (*Commercial Handbook of China*, Vol. I), 'Unless the Chinese Government is able to effect a currency reform in Manchuria, the gold yen will become the chief, and in time the sole circulating medium'.⁵ It is clear what an advantage this gives to the Japanese banks and the Japanese merchants. According to the same report, 'the Japanese banks show a preference for merchants and traders of that nationality. The rates of advance on cargo exported are as follows: Japanese, 7 per cent.; foreigners, 8 per cent.; Chinese, 10 per cent. Also, special facilities are granted to customers who wish to deal in exchange drawn in Japanese currency. The Japanese banks render all possible facilities to Japanese and Chinese merchants who have Japanese goods consigned to them, for account of such merchants, delivery against cash payment. In such cases, the Banks permit the merchants to draw out small portions of the goods at a time against equivalent cash payments. The South Manchurian Railway Co. also renders similar facilities to such merchants. The Yokohama Specie Bank loans money to members of the Japanese Cotton Exporters' Association at the reduced rate of $4\frac{1}{2}$ per cent. per annum. This is done at the direction of the Japanese Government as a special aid to this trade.'⁶ The postal rates between Manchuria and Japan are the same as those within Japan itself, and this great advantage to Japanese trade can be obtained at forty places in South Manchuria, where Japanese post offices are established. Similarly, telegraphic communication with Japan is extremely cheap. But the most famous of these 'accidental' advantages is the right by which imports to and exports from Manchuria, passing the Korean frontier, pay a reduced rate

⁴ In the reissue of Oct. 10, 1921, this figure was altered to '112,000'.

⁵ In the reissue of Oct. 10, 1921, a footnote was here inserted relating to 'the ordinance promulgated by the Japanese Colonial Government of Kwantung that from the 14th October, 1921, the gold standard was to be used for all transactions on the Dairen Staple Produce Exchange'.

⁶ See *Commercial Handbook of China* (U.S. Dept. of Commerce, 1919), vol. i, pp. 229-30.

on the Chinese Maritime Customs Tariff. Nominally, this favours all goods from all nations which follow this route; but practically it favours Japanese goods alone, for only Japanese goods enter Manchuria *via* Korea. A somewhat similar privilege exists in favour of goods, mostly Russian, entering China by the Chinese Eastern railway, and goods, mostly French, entering by the Yunnan railway. Great Britain has a similar privilege with regard to the Burma-China frontier, but as no railway exists there, it has little practical advantage. Indeed, these favourable rights were originally instituted to make good the loss entailed by long caravan journeys, and were never intended to be applied to a railway régime.

The most important of all these 'accidental' advantages acting exclusively in Japanese favour is the geographical position of Japan as compared with other Powers (except perhaps Russia), and the necessities of her expanding population. For every unit of man-power which Great Britain can bring to bear on China, Japan can produce 1,000. In Tsingtao and Shantung, there is now a population of over 25,000⁷ Japanese, where before the war there were only a few hundreds. This is the most serious aspect of the whole problem for here we are facing a force of nature, which no written treaty can successfully coerce.

Absolutely 'illegitimate' violations of the Open Door principle in South Manchuria (as also in Shantung) are freely asserted by critics of Japan. T. J. Millard ('Democracy and the Eastern Question')⁸ enumerates as follows the disabilities under which foreign, especially American, merchants operate within these two 'spheres': (1) Delays at the Japanese Banks, (2) Holding of goods at the ports of entry and railway stations, while goods belonging to Japanese merchants are handled promptly, (3) Similar delays at Kobe, Japan, and at other points of transshipment, (4) Special favours accorded by the railways in China under Japanese control to Japanese shippers, including an obscure system of rebates, (5) Subjection of Chinese to a graft system, except those who work in with the Japanese, (6) Encroachments on Chinese business and property, except those who work in with the Japanese, (7) The evasion of local taxes by Japanese traders and merchants, while foreign and Chinese merchants have to pay them, (8) Manipulation of public utilities controlled by Japanese, post office, telephone, telegraph, &c., to the advantage of Japanese merchants, (9) Taking advantage of war censorship to interfere with foreign mails, (10) Refusing space in Japanese ships to American cargo, and giving lower rates or rebates to Japanese shippers than are given to competing American firms, (11) Counterfeiting of trade marks.

This list is typical of the ordinary accusations of the foreign merchant against the unfair trading of the Japanese. But it is clear that allegations of such a kind are very difficult to prove, and also that it is easy to explain many instances as due to the unscrupulousness of individual Japanese traders or

⁷ In the reissue of Oct. 10, 1921, this figure was altered to '30,000'.

⁸ T. F. Millard, *Democracy and the Eastern Question* (London, 1919), pp. 274-5. The author was a well-known American journalist and writer on Far Eastern affairs.

officials, and to the general inefficiency of the Japanese public services. The accusation about the secret rebates on the Japanese controlled railways is the most persistent and the most serious. It is supported by a general knowledge of the methods of Japanese economic policy and by the considered opinions of impartial observers on the spot. As a matter of fact, in 1914, the South Manchurian railway introduced a new schedule of rates, by which all goods, Japanese and foreign, entering Manchuria *via* the Antung-Mukden line (i.e., *via* Korea) were carried at especially cheap rates. But owing to American protests, these unfair rates were withdrawn in 1915. On the other hand, the U.S.A. consul-general at Mukden reports: 'Foreign shippers now seem to have become fairly satisfied with their terms by the South Manchurian Railway Co. It is admitted that they are being given good and prompt service, even during the busiest season, and the belief is growing that the Japanese are endeavouring to treat the foreign shippers as fairly as their own people, though the smaller Chinese shippers are at a disadvantage.'

On the charge of absolute violation of the letter of their promises to maintain the Open Door, the charge against the Japanese can only be dismissed as 'not proven'.⁹ But in view of the very serious violation of the spirit of fair trade, resulting from their exclusive railway policy, from the 'accidental' advantages arising therefrom, and from the unscrupulousness with which their advantages have been exploited, it may be confidently asserted that the policy of the Japanese has deliberately reduced the Open Door to a mere pretence in those 'spheres of interest' where they have become paramount.¹⁰

The Japanese Point of View

The Japanese justify their policy in Manchuria in various ways. The Open Door is not closed, they say; foreigners are free to travel and sell their goods in Manchuria. If Japanese energy and push have made foreign competition unremunerative, this is quite a legitimate commercial success. Indeed, thanks to Japanese initiative in opening up Manchuria the actual sales of foreign goods must have increased considerably. The South Manchurian railway itself places large orders for rolling stock abroad. Why are foreigners complaining? Or again, if Japan has declared Manchuria to be her special 'sphere of interest', she has only followed the methods of other Powers. Russia, France, Great Britain, Germany, had their 'spheres of interest' long before Japan. Why should Japan, who is China's nearest neighbour, alone be excluded from similar advantages? Or again, the sphere of influence in Manchuria is essential to the safety of the Japanese Empire. It is her bulwark against attack from China and from Russia, her

⁹ In the reissue of Oct. 10, 1921, a footnote was here inserted relating to an enquiry addressed by the Foreign Office to H.M. Representatives at Peking and Tokyo concerning the employment by the Japanese of illegitimate methods to circumvent the policy of equal opportunity in Korea and China. (See No. 144 below for the enquiry to Peking, and Nos. 195 and 198 below for the answers from Peking and Tokyo.)

¹⁰ In the reissue of Oct. 10, 1921, a footnote was here inserted relating to special facilities granted by the Japanese authorities to Japanese students travelling in China.

competitors for the control of the Far Eastern littoral in a struggle which has only just begun. Manchuria and especially the Manchurian railway system are a valuable asset in this struggle. Besides, Japan won Manchuria by a great expense of blood and treasure.

Shantung

In Shantung the same system of encroachment and exclusion is already under way, first as a railway policy and then as economic expansion, artificially fostered . . .¹¹

As in the case of South Manchuria, it is difficult to show actual proof of discriminatory action on the part of the Japanese authorities at Tsingtao, and evidence is conflicting. Mr. Rose, His Majesty's Commercial Secretary (see Sir J. Jordan's despatch No. 411 Confidential of the 5th September, 1919)¹² finds that there has been discrimination in the harbour and customs at Tsingtao, in such matters as wharf charges, shipping accommodation, &c.,¹³ and he finds that the Sino-Japanese Forwarding Co. enjoys special terms on the Tsinan-Tsingtao railway. But another report, that of a representative of Messrs. Reiss and Co. (given in Sir J. Jordan's despatch No. 44 of the 27th January, 1920)¹⁴ states that the railway is fairly administered, and no preferential rates are given, though there is much red tape and petty obstruction.

The actual proving or disproving of these details, however, is not so important, as it is quite clear that, whether by illegal means or not, the Open Door in Shantung is closing in favour of the Japanese. The 'accidental' infringements of that doctrine are so many; the pressure of Japanese insistence is so strong. There are some 24,000¹⁵ Japanese in Shantung and some 1,500 officials. The system of Government is petty and vexatious in the extreme, and the bureaucracy is admittedly venal. The big Japanese firms complain as bitterly as the foreigners. The customs staff is entirely Japanese; the railway to Tsinan is policed by Japanese troops; and Japanese civil administration has been enforced (until recently) in a large and indeterminate zone of Shantung province outside the leased territory. The currency is entirely in the hands of the Yokohama Specie Bank and the Bank of Chosen, who issue paper notes and can control the exchange. The unsatisfactory nature of the Tsingtao administration and its opposition to the spirit of fair trade has been made clear by several peculiarly glaring scandals, such as (1) The wholesale importation of opium and morphia, camouflaged as 'military stores', (2) The wholesale export of China's copper coinage (contrary to treaty) at a time during the war, when the price of copper was very high, (3) The sales of German property at a ridiculously low figure to the

¹¹ A brief passage, giving the historical background to Japanese policy in Shantung, is here omitted.

¹² Vol. VI, No. 489. Mr. Rose was H.M. Commercial Secretary at Peking.

¹³ A brief footnote in the reissue of Oct. 10, 1921, here referred to the 'long controversy on this subject during 1920-21'.

¹⁴ Not printed.

¹⁵ In the reissue of Oct. 10, 1921, this figure was altered to '30,000'.

Land Development Co., in which leading bureaucrats were interested. These sales involved the arbitrary cancellation of options possessed by British firms to purchase properties. After great trouble and strong pressure from His Majesty's Government a fairly satisfactory compromise was reached with regard to some of the properties in dispute[; but at least one case was still unsettled up to the date of writing].¹⁶ Further, the Japanese administration will only lease land on a ten-years' lease or less, a regulation which results in discrimination against foreigners, (4) The enforced removal of the oil tanks belonging to the Asiatic Petroleum Co. and the Standard Oil Co., (5) The utilisation of transport control on the railway to obtain a hold over the output of the Chinese coal mines at Poshan.

In May 1919, Viscount Uchida made a suggestion that Japan might waive her right of establishing an exclusive settlement at Tsingtao in favour of an international one. There was considerable opposition in Japan to this project, and the point is still undecided. Should the party in favour of an exclusive settlement carry the day, it will mean that the Japanese Government has made up its mind to let Shantung follow the fate of South Manchuria.

It may be observed *en passant* that the distinction between Germany's political rights (which are to be returned to China) and her economic rights (which are retained by Japan) is almost entirely illusory.¹⁷ The new consortium agreement may prevent Japan reaping full benefit from her railway and other rights in Shantung, but it will not affect her position along the Tsingtao-Tsinan railway, which is the backbone of the whole position in Shantung. As Sir J. Jordan says (despatch No. 411 of the 5th September, 1919):¹² 'I have been a close observer of railway construction in Korea and Manchuria during the past 20 years and I have no hesitation in affirming that a railway running from the principal port in China to the capital of a province containing 35,000,000 people, owned, policed and controlled by Japanese, is not an economic concession, but a political one, which will, unless all precedents are to be disregarded, be used primarily as an instrument of territorial expansion.'

Fukien

The Japanese 'sphere of interest' in Fukien is so far merely sketched out and quite undeveloped, though friction with China has been caused by Japan's insistence on having her own police force in Amoy attached to the Consulate. So far Japan's rights amount to China's declaration of non-alienation, made in 1898 and repeated in 1915 with greater detail, and the right to a railway concession from Foochow to Nanchang, recognised by His Majesty's Government in February 1914. Reference to the map will show the importance of such a line. It would connect with the Kiukiang-Nanchang line, already in Japanese control, would tap the upper waters of the Yangtse, and outflank the central position of foreign trade at Shanghai.

¹⁶ The passage in square brackets was omitted from the reissue of Oct. 10, 1921.

¹⁷ For previous references to German rights see Vol. VI, Nos. 427, Annex, and 460.

It would link up the Fukien sphere with the important Japanese interests in the Ta Yeh iron mines and the Han Yang foundry at Wuchang, and with Hankow, the most important market of Central Chinese trade, where the Japanese (under no right at all) maintain a large military garrison. Reference to Group V of the original Twenty-One Demands,¹⁸ shows that Nanchang was to be the centre of another framework of Japanese railways, i.e., (1) Wuchang-Kiukiang, (2) Nanchang-Hangchow, (3) Nanchang-Chaochow (near Swatow); and another item in Group V reserved an option for Japan in financing railways, mines and harbour works in Fukien province. This group was withdrawn for future discussion, but it indicates Japan's ambitions for her sphere in Fukien and her *insouciance* for the British special interests in the Yangtse Valley, which according to the Anglo-Japanese Alliance Agreement of 1902, 1905 and 1911 Japan was to assist in safeguarding.

If the consortium policy works all right, there need be no anxiety about Fukien becoming another South Manchuria. But it is a danger area; and it was not by mere chance that the serious Sino-Japanese incident of November 1919, arising out of the boycott, took place at Foochow.

The New Loan Consortium

The policy of the new loan consortium was first proposed by the U.S.A. Government in June 1918.¹⁹ By this proposal the four groups—British, American, Japanese and French—are to share equally in all Government guaranteed loans involving a public issue, and they are to pool all existing and future options and concessions except such as are already in operation. For more than a year, Japan refused to accede to this new policy, except under a guarantee that her 'special interests' in South Manchuria and Eastern Inner Mongolia would be respected. Fortunately, Japan has now modified her attitude. In the final agreement no mention is made of the exclusion from the consortium of any 'special sphere', and the Japanese Government has been content with a general assurance that Japan's vital interests will be sufficiently safeguarded. As regards actual details, the options for the new Manchurian railways, mentioned above, are to be excluded from the operation of the consortium, with the exception of the Taonanfu-Jehol line and its branch line to a seaport, both of which Japan surrenders. But as an example of a line which affects the vital interests of the country, the Japanese Government have indicated any extension of the Jehol-Taonanfu railway northward; and they have expressed their desire that, in case the consortium does not wish to embark on the construction of the two surrendered lines, the Japanese Group may be permitted to undertake their construction single-handed.²⁰ No mention is made of the Japanese concessions in Shantung and Fukien, which presumably will be pooled in the consortium undertakings.

¹⁸ For Japan's Twenty-one Demands of 1915, see *The Sino-Japanese Negotiations of 1915* (Carnegie Endowment, Washington, 1921), pp. 2-8. Group V contained a number of miscellaneous demands aimed at establishing Japanese influence in many branches of China's internal affairs.

¹⁹ See Vol. VI, No. 425, n. 2; also Cmd. 1214 of 1921, Nos. 1-3, &c.

²⁰ Cf. No. 2.

It is clear, therefore, that if the consortium works smoothly, it should prove a valuable vindication of the Open Door principle, and should at least set a limit to Japanese encroachments.

The Open Door and the Renewal of the Alliance

From the foregoing considerations, it becomes clear that Japan has never really recognised the doctrine of the Open Door and equal commercial opportunities in China, though she may have half-heartedly attempted to observe the letter of her commitments. But her real policy has been to develop her own special spheres of influence in Manchuria, Shantung and Fukien to the exclusion of other Powers. In this policy she had the warm co-operation of Russia, to such an extent that an alliance had been entered into between these two former enemies. The collapse of Russia leaves Japan isolated, and she must, willy-nilly, come more into line with the co-operative policy of the other consortium Powers. It becomes clear also that the problem of the Open Door is primarily a railway problem, and will never be satisfactorily settled until an effective nationalisation of all China's railways can be accomplished as outlined in Sir J. Jordan's despatch No. 564 of the 23rd December, 1918,²¹ and Mr. Max Muller's memorandum on the China railway question, of the 2nd July, 1919.²² Japan's claims in Fukien are embryonic and ought to be quickly extinguished. The position in Shantung is very different and presents a real danger to the peace of the Far East so long as the Japanese control the Tsingtao-Tsinan railway, and have the right to establish a settlement in the most important quarter of Tsingtao. Unless Japan is prepared to surrender entirely her exclusive privileges in Shantung, and to accept the principle of railway nationalisation in the near future, it becomes a farce to repeat the Open Door formula in any renewal of the Alliance Agreement. It is difficult for a proud nation to surrender what it has won; and it is doubtful whether the Japanese Government will ever consent to reconsider the position in Shantung. But this present moment is not unfavourable; Japan is acutely conscious of her isolation and most anxious to renew the Alliance. To save Japan's face and as a pledge that the Alliance is entirely friendly to China, Wei-Hai-Wei²³ might be restored; and as a compensation to Japan, her special position in South Manchuria might be more clearly recognised.

For although it is difficult to defend the strict morality of her protectorate in Manchuria, yet the position there is entirely different to that of Shantung. Shantung is in the heart of China, the birthplace of Confucius, densely populated and developed by a highly civilised people. Manchuria is on the outskirts, neglected by the Chinese Government, sparsely populated, and low in the scale of culture. Recent prosperity there is due to Japanese enterprise, and although the foreigner may be excluded in spite of his treaty

²¹ See Vol. VI, Chap. II, Introductory Note, where this despatch is printed.

²² Probably that of June 23, 1919 (not printed) by the Head of the Far Eastern Department.

²³ The port of Weihaiwei had been leased by China to Great Britain in 1898; for the text of the agreement, see *B.F.S.P.*, vol. 90, pp. 16-17.

rights, yet the presence of the Japanese has been a benefit to the country. Japan in Manchuria has to a certain extent played the part of Great Britain in Egypt. Even if Japanese influence spreads to North Manchuria and can get control of the Chinese Eastern Railway (which at the present moment seems an object coveted by Japan), such expansion can do very little harm to England nor can it greatly damage China. Further, when the Kiakhta-Kalgan railway line is completed and the Tsinan-Tsingtao line restored to the control of a Chinese National Railway Board, the importance of the Chinese Eastern Railway as a link in the sole trans-continental line will be much diminished. If a real Open Door can be established in Shantung, Great Britain might be able to view a further extension of Japanese influence in the Manchurian sphere with equanimity. In any case, Japan's position in Manchuria is a peculiar one, and appears to deserve a certain measure of sympathetic consideration.²⁴

²⁴ A letter of June 28 from the Board of Trade to the Secretary of the Committee of Imperial Defence (not printed), a copy of which was received in the Foreign Office on July 14, urged that it was 'greatly to the interest of the United Kingdom as well as to that of China that His Majesty's Government should get rid of any obligation to support the "special interests" in China of Japan if, as is understood to be the case, that term is interpreted by the Japanese Government as including economic interests'. Japan was 'likely in the future to prove an even more dangerous competitor [in Chinese markets] than in the past, whilst she has in recent years sought for and acquired large interests in China in the shape of iron-ore mines, ironworks, railways, etc., and has lent large sums to China under onerous conditions, which have tended to give her a continuously increasing control of China's economic future'.

No. 62

Lord Hardinge¹ to Mr. Clive (Peking)

No. 223 Telegraphic [F 1085/479/10]

Urgent

FOREIGN OFFICE, *July 8, 1920, 5 p.m.*

Your telegrams Nos. 287² and 316.³

It appears to us that this is a matter where Consortium should have first refusal when the time comes for undertaking construction for which neither Consortium nor Corporation are ready at present.

If you agree you may inform Ministry of Communications that as Consortium has in the meantime been reconstituted we consider that whole scheme should be earmarked for Consortium in first instance but should they be unable or unwilling to undertake construction we rely on Ministry of Communications, in view of the promise in their letter to Sir J. Jordan of August 24th 1914, to reserve it for a British firm if and when ready to construct.⁴

¹ The Permanent Under-Secretary of State for Foreign Affairs was in charge of the Foreign Office during Lord Curzon's absence at the Spa Conference (July 5-16, 1920), for which see Vol. VIII, Chap. VIII.

² No. 47.

³ Of July 3, not printed; see *ibid.*, n. 4.

⁴ This promise was reported in Sir J. Jordan's telegram No. 177 of Aug. 31, 1914, not printed.

In view, however, of our assurances to Japan in 1914 we should not be able to support an exclusively British concession to section from Fukien to Nanchang (see confidential Print Chinese Loans and Concessions March 14th, 1914, Section 4, last paragraph).⁵

⁵ The reference is to the assurances conveyed to the Japanese Government in a memorandum dated Feb. 22, 1914 (not printed). The last paragraph of this memorandum read as follows: 'His Majesty's Government have no objection to supporting the Japanese Government for a concession for a line from Fukien to Nanchang, but if it proves necessary or desirable to construct an extension of this railway from Nanchang to Hankow, then His Majesty's Government must claim the right to obtain the required concession for this section for British enterprise.'

No. 63

Lord Hardinge to Sir C. Eliot (Tokyo)

No. 238 Telegraphic [F 1178/7/10]

FOREIGN OFFICE, *July 9, 1920, 5 p.m.*

Your despatch No. 243 May 14th.¹

We have not been satisfied about the frankness of Japanese communications with us in the past and if we negotiate for renewal of the Anglo-Japanese Agreement we shall require a more satisfactory interpretation of Article 1 of that Agreement (see Sir C. Greene's despatch No. 129 of March 24th, 1919,² and attitude of Viscount Kato in connection with group 5 of the 21 Demands in 1915).³

You may if opportunity offers, let Minister for Foreign Affairs know this.

¹ Not printed; see No. 52, n. 1.

² Not traced in Foreign Office archives.

³ For the attitude of Viscount Kato, Japanese Minister for Foreign Affairs 1914-15, in this connection, see *F.R.U.S. 1915*, pp. 79-205. For the Twenty-one Demands, see No. 61, n. 18, and for the resulting Sino-Japanese treaties and exchanges of notes of that year, regarding Shantung and Manchuria, see *B.F.S.P.*, vol. 110, pp. 791 ff.

No. 64

Sir C. Eliot (Tokyo) to Earl Curzon (Received July 12, 2.30 p.m.)

*No. 260 Telegraphic [F 1436/1436/10]**

Very confidential

TOKYO, July 9, 1920, 4.30 p.m.

Baron Hayashi¹ paid me farewell visit before leaving for London.

He said that as long as Chinese remained obstinate he did not see how Japanese could make any definite arrangement about Tsingtao. He had, however, urged his Government to put an end to military régime at Tsingtao at once, without waiting for settlement with China. They had not yet consented to do so, but he had hopes that they would eventually accept his advice, which he meant to repeat after arriving in London, if necessary.

¹ Newly appointed Japanese Ambassador in London; cf. No. 49.

He thought that Japanese troops would shortly be withdrawn from Chita, but that a good many might be retained at Harbin. This might 'cause annoyance', but it was necessary to maintain connection of Chinese Eastern Railway with China and Dairen.

He saw nothing in either Shantung or Siberia question which could not be amicably arranged to satisfaction of the two Governments. The real difficulty which he feared was attitude of Australia in Pacific Islands, which she is to administer under mandate. Japan claimed right to most-favoured-nation treatment in those islands under new as under old régime, and if Australia refused he felt very anxious as to consequences.

No. 65

Lord Hardinge to the Japanese Chargé d'Affaires

[F 1390/199/23]*

FOREIGN OFFICE, *July 9, 1920*

His Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Japanese Chargé d'Affaires, and has the honour to inform him that the joint communication from the Japanese and British Governments to the League of Nations has to-day been despatched to the Secretary of the Cabinet Offices for immediate transmission to the Secretary-General of the League.

The document, a copy of which is enclosed,¹ is dated 'Spa, July 8, 1920', and bears the signatures of Viscount Chinda² and of Earl Curzon of Kedleston respectively.

¹ For the Anglo-Japanese letter of July 8, 1920, to the League of Nations, see *L/N.O.J.*, No. 5, 1920, pp. 252-3. Cf. No. 45.

² Japanese Ambassador in London, 1916-20.

CHAPTER II

General Correspondence, &c. July 11–September 28, 1920

No. 66

Mr. Clive (Peking) to Earl Curzon (Received July 13, 4 p.m.)

No. 322 Telegraphic [F 1454/865/10]

Urgent

PEKING, July 11, 1920, 10.50 p.m.

My immediately preceding telegram.¹

Public opinion in Chinese and foreign . . .² recognising that victory of Tuan³ may indefinitely postpone reconciliation between north and south favours Wupeifu⁴ while Japan stands behind Tuan and from statements made by Japanese Military Attaché and by Japanese owner of vernacular organ⁵ it is safe to infer that Military Governor of Mukden⁶ has been neutralised by hints of trouble in Manchuria.

Corps diplomatique on (? advice of) United States Minister have addressed note to Chinese Government expressing hope that fighting in Peking itself will be avoided if possible⁷ and presidential mandate enjoining protection of foreign life and property is expected tomorrow.

I am in communication with Admiral,⁸ and British troops are at my request returning from summer quarters at Shanhaikuan to Tien-Tsin as precautionary measure.

Americans have a ship at Peitaiho⁹ for protection of foreign residents in that neighbourhood.

Repeated to Tokio.

¹ No. 321 of July 11, not printed. Peking telegram No. 320 of July 8 had reported that 'Struggle between Northern Military factions shows signs of producing crisis here in the near future', and No. 321 that 'opposing forces are now in touch about 35 miles south of Peking'.

² The text is here uncertain.

³ i.e. Marshal Tuan Chi-jui; cf. No. 3.

⁴ Gen. Wu Pei-fu, a leading member of the opposing Chihli faction. According to an undated memorandum by Mr. C. W. Campbell of the Far Eastern Department, filed on July 23, 'Tuan and the Anfuites are believed to stand for a *régime* of military satraps held in power largely by Japanese gold and influence, and to some extent subservient to Japanese interests; the Chihli group and its leaders on the other hand are understood to favour a reconciliation with the South, a reduction of militarism, and less subservience to Japan.'

⁵ The text received at Tokyo read: 'Japanese-owned vernacular organs'.

⁶ Gen. Chang Tso-lin.

⁷ See *F.R.U.S.* 1920, vol. i, pp. 456-7.

⁸ Presumably Vice-Admiral Sir A. L. Duff, C.-in-C. China Station.

⁹ A note inserted in the Foreign Office explained that this was 'The summer resort for Peking some 150 miles up the coast from Tientsin'.

Sir A. Geddes (Washington) to Earl Curzon (Received July 15, 9 p.m.)
No. 519 Telegraphic [208345/11/57]

WASHINGTON, July 11, 1920

Acting Secretary of State recently informed me that he personally regarded massacres on which Japan had based her occupation of Northern Saghalien and Vladivostock area as fake massacres¹ or at least, in so far as they were real, as instigated by Japanese, although officially United States Government had to regard them as real and unprovoked.

He said President regarded America as being in position of trustee for Russia so long as she was unable to look after her own interests. It was essential that her territories should be restored intact if this was the wish of Russian people themselves. In the case of Finland, Poland, Georgia etc., which I instanced, he believed Russian people wished these States to be free.

United States Government had at first considered plan of merely informing Japan that they could not recognise her occupation of areas in question and that they would expect her to withdraw her troops as soon as this could be done without creating disorder. But they had now decided that such representations were not likely to be effective and that it was desirable to tell Japan definitely that she must evacuate these areas. In this action United States Government wished us to join. They were convinced that if Japan was allowed to stay war between her and a reconstituted Russia would be inevitable at no distant date.

On my asking him to inform me generally of principles on which United States policy as regards Japan was based Mr. Davis went on to assert that Japan was a grasping nation and that real object of her present action was to reunite² Treaty of Portsmouth.³ He mentioned that Northern Saghalien was rich in oils and minerals. He thought there was no danger of Japan refusing to evacuate if told to do so by Great Britain and United States conjointly.

I pointed out that Japan was faced with a surplus population to which North America, Australia and New Zealand were practically closed, while China and other countries of the East were already densely populated, but I felt certain that His Majesty's Government would cooperate wholeheartedly with United States in any plan of action which was just in itself, which was designed in the interests of peace, and which had been fully thought out in all its implications. But so far as plan he had suggested was concerned it seemed to me at first hearing to be incomplete in itself and it would be necessary for His Majesty's Government to consider its impli-

¹ See Nos. 8, n. 3, and 56, n. 4.

² On the filed copy this word was amended to 'revoke'; another text here read 're-write'.

³ For the text of this treaty of 1905, which ended the Russo-Japanese War, see *B.F.S.P.*, vol. 98, pp. 735-40.

cations very carefully before they could commit themselves to support it even in an amended form.

Policy which United States Government say they intend to adopt was supported in general terms in an inspired leader in 'Washington Post'.

No. 68

Mr. Clive (Peking) to Earl Curzon (Received July 15, 1.30 p.m.)

No. 323 Telegraphic [F 1479/865/10]

PEKING, July 13, 1920, 5.20 p.m.

My telegram No. 321.¹

Paramount necessity of observance of strict neutrality by foreigners in present internal conflict has been emphasized by strong comments in native and foreign Press and by letter addressed by Military Governor of Chihli to *Corps Diplomatique* complaining of assistance rendered to Anhui faction by Japanese through Frontier Defence Force² and loans and by Italians through delivery of munitions of war and assistance in aviation.

Japanese position has already been referred to in my telegrams 320³ and 321 and in Tokio telegram No. 266 to Foreign Office.⁴

Delivery by Italians of some of the munitions of war sold under contracts mentioned in reservations which accompanied Italy's adhesion to arms embargo (see Sir J. Jordan's despatch No. 245 June 2nd last year)⁵ has been admitted by Italian Legation and has aroused a storm of universal indignation but charge of assisting in aviation might more plausibly have been directed against British pilots and mechanics employed in Chinese Government's aerodromes under Handley Page and Vickers contracts. Chinese are making every effort to use these machines in the present operations but are helpless without assistance of British pilots and mechanics.

In the circumstances and in order to prevent any misunderstanding of His Majesty's Government's position which is solely to encourage commercial as opposed to military aviation in China I have addressed formal notes to Wai Chaio Pu stating that I have requested local Representatives of two companies concerned to suspend temporarily execution of clause 4⁶ in their

¹ See No. 66, n. 1.

² i.e. the Chinese Frontier Defence Forces in North-West China; see Vol. VI, No. 423.

³ See No. 66, n. 1. This reference should probably have been '322', i.e. No. 66.

⁴ Of July 12, not printed.

⁵ Not printed. In it Sir J. Jordan had reported the receipt of a note, dated May 12, from the Italian Minister at Peking making 'the important reservation—which was entirely in contradiction to the decision of the other Powers who had already given their full adherence [to the prohibition until further notice of the import into China of arms and ammunition—see *F.R.U.S.* 1919, vol. i, pp. 669–70]—that all contracts already concluded by Italian subjects or which might be concluded before adhesion of every Power . . . should be excluded from the prohibition.' Sir J. Jordan had transmitted a copy of this note under cover of his despatch. Cf. Vol. VI, No. 777, n. 1.

⁶ In the Foreign Office a note was here inserted which read: 'providing for the supply of pilots & engineers'.

respective contracts (see (? Peking) despatches No. 8 Overseas⁷ and 466, 1919)⁸ and to withdraw their British personnel from Chinese Government aerodromes until return of normal conditions.

Conditions are so exceptional that I trust you will approve my action and that London offices of two firms mentioned may be informed.

⁷ Not traced in Foreign Office archives.

⁸ Of Oct. 15, 1919, not printed.

No. 69

Lord Hardinge to Mr. Clive (Peking)

No. 227 Telegraphic [F 1472/865/10]

Urgent

FOREIGN OFFICE, *July 14, 1920, 9 p.m.*

In present troubles you will of course appreciate great importance of combating any attempt by Chinese authorities to utilize aircraft supplied from Great Britain for military purposes. I presume that Captain Holt¹ is thoroughly impressed with necessity for keeping close scrutiny.

¹ Col. F. V. Holt had been appointed Foreign Adviser to the recently established Chinese Aeronautical Department.

No. 70

Sir C. Eliot (Tokyo) to Earl Curzon (Received July 17, 9.45 p.m.)

*No. 269 Telegraphic [F 1500/199/23]**

Confidential

TOKYO, *July 16, 1920, 6 p.m.*

Minister for Foreign Affairs asked me this morning when negotiations as to details of alliance would begin.

I said it would not be until after Imperial Conference in the autumn, and that I thought it probable that you would prefer to wait until new President of United States had been elected.¹

I then spoke to Minister for Foreign Affairs in the sense of your telegram No. 238,² laying stress on the incident of the twenty-one demands. Minister for Foreign Affairs professed to be in favour of full and frank communication, and asked me whether any change in wording of article 1 was desired. I said I had no instructions on this point, but that as a personal opinion I thought phrase 'when any of rights or interests are in jeopardy' seemed to contemplate exceptional and critical circumstance, and that some more general wording, such as 'full and frank communication respecting all rights and interests referred to in preamble', might be preferable. Minister for Foreign Affairs said that he must consider question, but that, speaking generally, he was favourably disposed towards any change of wording, or any other measure, which would help to secure frank interchange of views desired by His Majesty's Government.

¹ The election was due to take place in Nov. 1920.

² No. 63.

No. 71

Earl Curzon to Mr. Ker¹ (Tientsin)

No. 3 Telegraphic [F 1479/865/10]

FOREIGN OFFICE, *July 17, 1920, 6 p.m.*

My immediately preceding telegram.²

Following for Mr. Clive:³

Your telegram (unnumbered) [323] of 13th July.⁴ British aeroplanes.

I approve your action entirely and am informing the two firms.

If you think that good effect would result you are authorized to make British action in matter generally known and in informing your colleagues appeal to them, in interest of foreign element generally, to do everything possible to prevent commission of any acts which could lend strength to charge of foreign interference. If you consider desirable His Majesty's Government can support appeal with any particular Government.⁵

¹ Mr. W. P. Ker, H.M. Consul-General at Tientsin.

² Of July 17, not printed.

³ This telegram was sent to Tientsin on account of a temporary interruption of communications with Peking owing to fighting in the neighbourhood.

⁴ No. 68.

⁵ In his despatch No. 526 of July 26 (not printed) Mr. Clive replied: 'At the time when, before the actual outbreak of hostilities, the activities of British aviators were being adversely commented on in the foreign press, I had already caused a notice . . . informing the public of the action taken in the matter, to be published in the British press, and I do not consider that any further action on these lines is now called for. Not does it appear necessary any longer to appeal to my colleagues in the sense suggested, in view of the reiterated denials and explanations issued by those concerned . . .'

No. 72

Mr. Clive (Peking) to Earl Curzon (Received July 24, 9.45 a.m.)

No. 328 Telegraphic [F 1573/865/10]

Very urgent

PEKING, *July 22, 1920, 4.30 p.m.*

My telegram No. 326.¹

Situation has since developed rapidly to complete discomfiture of Anfu party. All fighting has practically ceased in neighbourhood of Peking. Tuanchijui has three times tendered resignation which will now doubtless be accepted. Little Hsu² is in hiding in Peking probably in Japanese Legation.

Changtsolin³ reaches Tientsin this morning to discuss terms. Wupei⁴ on west of Peking can enter city when he chooses. Dissolution of frontier

¹ Of July 18, not printed.

² Gen. Hsu Shu-cheng, commander of the Chinese North-West Frontier Defence Forces; see No. 68.

³ Inspector-General of Manchuria and Military Governor of Mukden; see No. 66.

⁴ i.e. Gen. Wu Pei-fu; see No. 66.

defence force, dissolution of Parliament (at present packed with Anfu adherents) and condign punishment of various Anfu leaders will be minimum demand of (Chihli) party.

Total collapse of Anfu party was hardly expected, and will be severe blow to Japanese necessitating a complete change in their policy of recent years.

If victorious side can show any statesmanlike qualities there should be fair prospect of arriving at reconciliation with the south before long.

No. 73

Sir A. Geddes (Washington) to Earl Curzon (Received July 24, 7.30 p.m.)

No. 545 Telegraphic [209309/11/57]

Urgent

WASHINGTON, July 23, 1920

With reference to my telegram No. 519 of yesterday's date¹ acting Secretary of State to-day informed me that after our conversation reported in that telegram he went to see President to communicate to him what I had said. President thereupon said he was prepared to act alone and instructed him to prepare draft note to Japan for consideration probably at a Cabinet summoned for to-morrow to the effect that America refused to recognise any action taken by Japan to occupy Northern Saghalien and Vladivostok . . .²

Note was to be straight from the shoulder and admitted of no misunderstanding.

President is convinced that Japan will not show fight; there may (? however) (? be a) period of strained relations. In my opinion this movement is in the main manoeuvre to secure the Californian Oregonian and Washingtonian anti-Japanese votes for democratic ticket.³

¹ i.e. No. 67, which was dated July 11. It is possible that the present telegram was drafted on July 12 but the reason for the delay in despatch is not apparent.

² The text is here uncertain. For the U.S. Secretary of State's note of July 16 to the Japanese Ambassador on the Saghalien question, see *F.R.U.S. 1920*, vol. iii, pp. 517-19.

³ The reference is to the question of Japanese immigration into the U.S.A., particularly into the Pacific coast areas, which was a political issue in the forthcoming Presidential election.

No. 74

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 259 Telegraphic [F 1500/199/23]**

Private and personal

FOREIGN OFFICE, July 25, 1920, 6 p.m.

Your telegram No. 269 of 16th July.¹

You should avoid a discussion of the text of any possible new agreement at this stage, as we must first consult the Dominions. Imperial Conference will not take place this year.

¹ No. 70.

I find it difficult to understand reference in second paragraph of your telegram to election of President of the United States, which has no relevance to our negotiations with Japan.

No. 75

Sir A. Geddes (Washington) to Earl Curzon (Received July 29, 3 p.m.)

No. 553 Telegraphic [F 1649/19/10]

WASHINGTON, July 27, 1920

Informal meeting was held at State Department on July 26th at which were present Mr. Colby, Secretary of State, the United States Ambassador at Tokio, Mr. Davis, Assistant Secretary of State, Mr. [sic] B. Alston and myself, when question of Chinese Eastern Railway was discussed.¹

1. It was unanimously (? felt that) it was essential that railway should remain under international control until it can resume its original status under a reconstituted Russia. Control to be vested in Powers previously represented on technical commission viz. United States, Great Britain, France, Russia, Italy, Japan and China.

Two. In accordance with agreement March 11th, 1918, the guarding of the line should be undertaken by Chinese troops.²

Three. That Chinese troops should guard the line up to terminal of Vladivostok.

Four. Question of financing railway by Consortium was considered and great difficulties were recognized.

(A) on account of guarantee.³

(B) on account of Russo-Chinese agreement, whereby China is entitled to take over the line in event of default.³

It was suggested that a sufficient portion of Russian gold recovered from Germans should be devoted to the purpose. It was agreed Mr. B. Alston should discuss the matter with Your Lordship on arrival in London next week⁴ and that pending . . .⁵ by His Majesty's Government no communication should be made to Japanese Ambassador here.⁶

¹ For Mr. Colby's telegram to the U.S. Ambassador in London regarding this meeting, see *F.R.U.S.* 1920, vol. i, pp. 704-5.

² Presumably a reference to the Sino-Japanese military agreement of May 16, 1918 (see No. 13, n. 3). This reaffirmed the provisions for maintaining 'security and order' on the railway in the original Russo-Chinese Agreement of Dec. 1896; cf. n. 3 below.

³ In reply to an enquiry made in Foreign Office telegram No. 680 of Aug. 13 (not printed) Sir A. Geddes, in his telegram No. 601 of Aug. 21, explained (a) that 'difficulty was anticipated in providing security for bonds to be issued by consortium in connection with financing of railway and (b) that the reference to 'Russo-Chinese Agreement' [of 1896, see MacMurray, vol. i, pp. 74 ff.] was 'a mistake on the part of State Department'.

⁴ For Sir B. Alston's account of the foregoing conversation, see No. 79 below.

⁵ The text is here uncertain. In the Foreign Office the word 'approval' was suggested.

⁶ The foregoing telegram was repeated by the Foreign Office on Aug. 4 as No. 243 to Peking for repetition to Tokyo, with the omission of the last paragraph.

No. 76

Earl Curzon to Mr. Clive (Peking)

No. 237 Telegraphic [F 1663/2/10]

Very urgent

FOREIGN OFFICE, *July 30, 1920, 6 p.m.*

Your telegram No. 318, (July 3rd. Notification to Chinese Government about Consortium).¹

Having heard nothing further from you, we presume you have postponed action until situation becomes calmer.

We have now received an urgent communication from the United States Embassy² suggesting that the four Consortium Powers issue simultaneously on August 1st an announcement of the organization of the Consortium which should also be communicated to Chinese Government through Legations at Peking.

Suggested announcement states that Consortium is 'an established fact', which strictly speaking will not be the case until after the groups have met in New York next October. It implies also that it is a new creation, which is not quite accurate (see our telegram No. 219³ and Mr. Lansing's note of October 8th, 1918).⁴ It makes no mention whatever of the communication which you were to draw up in conjunction with your colleagues.⁵

We have informed Counsellor of United States Embassy of the above and suggested that no action be taken until we hear from you what you have done or propose to do.

If your note has been drawn up, but not yet handed in, we suggest that it be submitted to us for approval, if this is still possible.

In any case it appears to us preferable that your Note should be sent to Chinese Government when approved, and that publication to [? in] the Consortium countries be suspended until after the group meeting in New York.

Addressed to Peking for repetition to Tokio. Repeated to Washington No. 643 and by bag to Paris.

¹ Not printed. In this Mr. Clive said that he had informed his colleagues of the instructions conveyed in No. 58 and that they had requested him to draft a note to the Chinese Government for their consideration. For American documents relating to this question of notifying the Chinese Government, see *F.R.U.S. 1920*, vol. i, pp. 559-605.

² Dated July 27, not printed; cf. *ibid.*, p. 558.

³ No. 58.

⁴ See Cmd. 1214 of 1921, No. 3, enclosure 1; cf. No. 58.

⁵ See n. 1 above.

No. 77

Earl Curzon to Sir A. Geddes (Washington) and Sir C. Eliot (Tokyo)

No. 644¹ Telegraphic [209630/11/57]

FOREIGN OFFICE, *July 30, 1920, 11 p.m.*

Lord Hardinge saw the Japanese Ambassador on July 23rd, and told him that His Majesty's Government thought it would be desirable if suspicions

caused in America by Japanese occupation of Saghalien seaboard could be dispelled by a statement that occupation was only temporary.

Ambassador replied that it was impossible to give any guarantee as to future and that occupation had been effected in order to pacify outcry in Japan against Nicolaievsk massacre, and to enable Japanese Government to negotiate with future Russian Government for maintenance of order and reparation for massacre.

Lord Hardinge pointed out that in view of British alliance with Japan His Majesty's Government had legitimate cause for anxiety, since step taken by Japanese would probably entail war between her and future Russian Government if Japanese occupation were to be permanent.

Ambassador admitted suspicions of Japanese intentions, but said that he could not make any statement and would refer Lord Hardinge's remarks to his Government.

¹ Telegram No. 644 to Washington and No. 266 to Tokyo.

No. 78

Earl Curzon to Sir A. Geddes (Washington)

No. 646 Telegraphic [209748/11/57]

FOREIGN OFFICE, *July 30, 1920, 11 p.m.*

I observe from your telegram No. 555¹ that the United States Government have not waited for expression of views of His Majesty's Government before approaching Japanese Government.

I approve language held by you in your telegram No. 519.² We could not in any case have joined United States Government in representations to Japanese Government about their action in Siberia.

¹ Of July 27, not printed. This transmitted a digest of the U.S. Government's note of July 16 sent to the Japanese Ambassador in Washington; cf. No. 73. A copy of the note was forwarded to the Foreign Office under cover of Washington despatch No. 988 of July 28, not printed.

² No. 67.

No. 79

*Memorandum by Sir B. Alston respecting Conversations at Washington,
July 26-27*

[F 1740/19/10]

Confidential

FOREIGN OFFICE, *August 1, 1920*

In accordance with telegraphic instructions received from the Foreign Office¹ on the train at Toronto on the night of July 24th on my way to England, I proceeded to Washington to consult with His Majesty's Ambassador.

On my arrival there in the afternoon of July 26th, Sir Auckland Geddes

¹ In Foreign Office telegram unnumbered of July 24, not printed.

informed me that as Mr. Morris, United States Ambassador to Japan, was in Washington, the United States Government desired to take the opportunity of discussing the question of the Chinese Eastern Railway [and] that it was for this object that I had been asked to attend a meeting which had been arranged for 4 o'clock that afternoon at the State Department.

Before going to the meeting I gave the Ambassador a brief account of the present position of affairs in connexion with the Chinese Eastern Railway and the proposals which have been made for dealing with it for the moment. I gathered from His Excellency that these proposals were in substantial accord with those of the State Department.

Our conversation then turned upon China, the Anglo-Japanese Alliance, and Anglo-American relations in the Far East—on all of which matters I was glad to find that we were in entire agreement.

At the State Department we met Mr. Bainbridge Colby, the Secretary of State, Mr. Davis, Assistant Secretary of State, and Mr. Morris. In an informal Conference which lasted for two hours, the proceedings were of the most cordial nature and our opinions were unanimous on all points.

Briefly summarised, the result of our discussion was as follows:²

1. It was unanimously felt that it was essential that the Railway should remain under international control until it can resume its original status under a reconstituted Russia. Control to be vested in the Powers previously represented on the Technical Commission *viz*: United States, Great Britain, France, Russia, Italy, Japan and China.
2. In accordance with the agreement of March 11, 1918, the guarding of the line should be undertaken by Chinese troops.³
3. That Chinese troops should guard the line up to the terminal of Vladivostok (i.e. the small strip from the Manchurian frontier).
4. Question of financing the railway by the Consortium was considered, and great difficulties were recognised
 - (a) on account of guarantee
 - (b) on account of Russo-Chinese agreement whereby China is entitled to take over the line in event of default.

*I have said above that our opinions were unanimous upon all points, but I should qualify this statement by saying that I represented to the meeting that, although point 3 was no doubt very desirable, as with the terminus in the hands of the Japanese they would naturally have the real control of the line, I was sure that we should have the greatest difficulty in persuading them to evacuate the Vladivostok-Pogranitchnaia section, which they now hold, and I did not imagine for a moment that His Majesty's Government would consent to go to any great lengths to move them out. However, the other members of the meeting were so definite in insisting upon this course, that I admitted that if it could be managed so much the better, though I feared that it would prove the crux of the whole situation.*⁴

² Cf. No. 75.

³ See No. 75, n. 2.

⁴ The passage between asterisks was not in the original typescript, but was inserted in the copy printed for circulation.

It was suggested that a sufficient portion of the Russian gold recovered from the Germans should be devoted to the purpose. It was agreed that I should discuss the matter with the S[ecretary] of S[tate] on arrival in London next week and that pending approval by His Majesty's Government no communication should be made to the Japanese Ambassador here.

As Mr. Colby, Mr. Morris and Mr. Davis were dining at the Embassy in the evening it was agreed that the conversation should be resumed after dinner.

I told Sir Auckland that as Mr. Morris and I had so freely discussed in Tokyo future Anglo-American relations in the Far East, I thought it not improbable that Mr. Morris might revert to the subject in the evening, and I asked whether His Excellency had any objection to my talking about it. Sir Auckland considered that on the contrary it would be advantageous to do so, and kindly placed me at dinner between the Under Secretary of State and Mr. Morris.

As I had anticipated, Mr. Morris almost immediately began conversation by asking whether I had given any further thought to the question of our future relations in the Far East. I replied that indeed I had, that I was glad to have this opportunity of talking about them with His Excellency again. At the same time I wished to make it clear, that, as I knew he would thoroughly understand, anything I said would merely reflect my own personal views, and that I had no authority whatever to discuss the subject. Mr. Morris said that this was of course quite understood between us.

I told Mr. Morris that I had found on my return to China that Anglo-American cooperation has, more than ever, become generally recognised by Britons and Americans in the Far East as a necessity if the principles for which the British Empire and the American Republic stand in China are to be successfully maintained. Anglo-American cooperation, of course, dated back much further than 1914 although it has not always been so intimate or so whole-hearted as might have been desired. Apart altogether from the common language, there is a community of interests between Britons and Americans in the Far East which cannot conceivably exist between the peoples of either nation and those of a third country. They think on much the same lines, they both conscientiously believe in equality of opportunity for the commerce of all nations, and in fair play for China; neither of them entertains aggressive designs upon China; and in the fields of religious, educational and medical activities they have been cooperating more and more closely in recent years. But in spite of the fact that cooperation in these fields has worked so well, and though it may, I think, be fairly stated that Britons and Americans in the Far East have ceased to regard each other as 'foreigners', it has failed to produce an effective Anglo-Saxon policy in that part of the world.

What I ventured to think is required, is that, in the interests of America and Great Britain, which are almost identical, the only satisfactory solution of the Far Eastern problem is a clear understanding and intimate cooperation between the two countries.

This understanding might comprise some agreement to maintain the balance of Naval Power in the Pacific by means of an Anglo-Saxon fleet, and at the same time some notification to China that Great Britain and the United States, if she desired it, were willing to support her in maintaining her integrity and independence.

Mr. Morris said that my remarks coincided, as before, with his own views, and asked me to repeat them to Mr. Colby, who also expressed his entire concurrence in them. Mr. Morris hoped that I might return in the autumn and be able to say that His Majesty's Government held similar views.

Before leaving Washington on the following day, I received a visit from Mr. MacMurray, head of the Far Eastern Bureau of the State Department, who, as *Chargé d'Affaires* both at Peking and Tokyo, had been an old colleague of mine. I repeated to him the gist of my conversations of the day before with Mr. Colby and Mr. Morris, and I added that to be perfectly frank, it seemed to me that during the past few years the policies of our two respective countries had become thoroughly discredited in the Far East, America's because her talk had aroused in China exaggerated expectations of aid which were never fulfilled, ours, because, owing to the circumstances in which we were placed by our alliance and by the war, we had been unable to speak or act. During this time America had however never lost the ability to speak, but had never, he would forgive my saying, apparently acquired the ability to act.

Mr. MacMurray smilingly acknowledged the truth of what I had said, and expressed his fervent hope that some understanding between our two countries, such as I had outlined, might be brought about. He could assure me that his Department would warmly support any attempt to bring it about.

In connexion with our discussion of the previous day at the State Department in regard to the Chinese Eastern Railway, Mr. MacMurray suggested that it was quite unnecessary to bring back the Italians who had voluntarily retired from the International Technical Commission. They had not proved helpful and if anything they had usually sided with the Japanese and he considered their absence would be more advantageous than their presence.

From conversations which I had had in Tokyo and in Peking with Mr. Thomas Lamont, partner in Pierpont Morgan's, I knew that as the result of his recent experience in the Far East he shared the same sentiments. In a brief meeting which I had with him in New York on leaving Washington on July 27th, he told me that the American financial world echoed those sentiments, and while not saying that they would lend no money to Japan he said definitely that they would certainly not do so in present circumstances without consultation with their British and French partners in the Consortium.

I may mention that, besides the Californian question, the United States is at this moment incensed with Japan's proposal to occupy the northern part of Saghalien until a Government is constituted in Russia which can make reparation for the Nikolaievsk massacre, and have told the Japanese Government in plain terms that they will not have it.⁵

⁵ Cf. No. 73, n. 2, and No. 78, n. 1.

Memorandum by Sir B. Alston respecting suggestions for an Anglo-Saxon Policy for the Far East

[F 1742/199/23]

Confidential

FOREIGN OFFICE, August 1, 1920

Lest I should appear to suggest an aggressive anti-Japanese policy on the part of the two Anglo-Saxon nations, which is far from any intention of mine, it is well that I should supplement the remarks which I have made in the memorandum reporting conversations during my recent visit to Washington.¹

As the term of the Anglo-Japanese Alliance of 1911 is drawing to a close, a favourable opportunity offers for reconsideration of Anglo-American policy in the Far East. Great Britain and America have had identical pledges from Japan, and have seen how lightly she regards them and how recklessly she violates them. America has her hands free, Great Britain has the chance to recover her independence in 1921. And so it seems imperative that Great Britain and America should come to some definite understanding. A policy is required that does not involve passive acquiescence on the part of Great Britain in the actions of an Ally whose pledges in the light of experience must be regarded as worthless, or on the part of America, continuous misleading talk which leads nowhere and merely shakes the faith of intelligent Chinese and others in American sincerity. If Great Britain has often remained dumb when she should have spoken, because of her obligations to Tokio, America time after time, when in a position to insist upon fair-play for herself, for China and for other nations, has almost invariably disappointed those who expected a timely word or act from her, by the flabbiness of her policy. She has been willing enough to make proposals and to enter belated protests in an innocuous form, but on no single occasion on which her influence could have been used to check Japanese aggression has it really been exerted. Numbers of credulous Chinese looked to her for support in 1915 when no other Power was in a position to challenge Japanese actions, and looked in vain.² Yet so deeply instilled into their minds was the idea that America was their only true, disinterested friend that they expected her to insist in 1919 upon the redress of the wrongs of 1915. In 1919 also, they looked to America in vain. And having been so often disappointed in their expectations from the great American Republic one would think that they would cease to place any confidence in American professions of friendship. Yet it is an indisputable fact that today America is regarded as China's only hope in bringing about an equitable solution of the Shantung question. It is not only in the Far East, of course, that American diplomacy is becoming an object of general scorn—the United States Government seem willing enough

¹ No. 79.² For an earlier reference to Japan's 'Twenty-one Demands' upon China in 1915, see No. 61, n. 18, and for the U.S. Government's attitude in 1915, see *F.R.U.S. 1915*, p. 146.

to criticize what the Allies have done and are doing, but of a really constructive policy and of any shouldering of responsibility the United States Government fight shy on every occasion. There is an absence of definiteness, a lack of all sense of proportion, about Anglo-American policy which I find is the despair of every Briton and American who desires to see the principles for which his Government stands actually enforced, and the community of interests between the two nations in the Far East officially recognised and vigorously supported. A definite Anglo-American understanding in regard to that region would afford an even more reliable guarantee against Japanese aggression without the disadvantages attaching to an Alliance which one of the parties regards only as an instrument for imposing silence on the other when the pledges in its Preamble are broken.

If there is one quarter of the globe in which Anglo-American interests must be considered identical, it is the Pacific. Both nations have a considerable coast line and thriving ports on the Pacific coast of the North American continent. Both nations have prosperous overseas possessions in the Pacific. Americans and Britons in the Far East are in constant commercial and industrial competition with each other but this competition is no occasion for friction or ill-will, especially as each Government has repeatedly affirmed its support of the principles of equal opportunities for the commerce and industry of all nations. Great Britain has more vested interests in China than the United States, some of them of a nature which America has disclaimed, but it would not, I think, seriously be contended that we have, on the whole, exploited those interests in a narrow and selfish spirit. Wherever it may be, in no quarter of the Pacific or the Far East does there appear to be the slightest possibility of a serious clash between British and American interests. If the policies to which both Governments have committed themselves have not been realized, the Anglo-Japanese Alliance has chiefly been to blame. The only serious menace to Anglo-American interests in the Far East today is to be found in the aggressive tendencies of Japan's policy, directed by a militarist clique which no Japanese Government has yet been able to bring under control.

If the Peace Treaty and the League of Nations Covenant mean nothing, Japan might become a very serious menace to Great Britain or America in the Far East. That region is ringed in today by islands in Japanese possession which, if Japan disregarded her pledges at the Conference, might be converted into a chain of fortified naval bases completely dominating the Western portion of the North Pacific, isolating Australia and America from Eastern Asia. In the absence of a powerful Anglo-Saxon fleet the Philippines and British possessions in the Far East would be at Japan's mercy. Neither Hong Kong, Singapore, nor the Philippines are sufficiently heavily fortified to withstand for long a landing supported by a powerful Fleet. A Japanese descent upon either British or American possessions in the Far East, therefore, would meet with little resistance unless a British or American fleet of approximately equal strength were available in the Pacific. We faced the German menace by an understanding with France by which our Fleet was con-

centrated in the North Sea and France's in the Mediterranean. Is there any reason why Great Britain and America should not reach an understanding as to the maintenance of adequate naval forces with the necessary bases in the Pacific?

Providing that Great Britain and America can reach an agreement as to their future policy in the Pacific and the Far East, the maintenance of an adequate Anglo-Saxon fleet in the Pacific, based upon say Hawaii and Singapore, would, I feel convinced, bring the Japanese menace in the Far East to an end. A Japanese attack upon undefended or inadequately defended British or American possessions would be a very different matter from naval and military operations which would require for their success the destruction of an Anglo-American fleet of equal strength. Even the Japanese militarists, reckless though they have shown themselves in some respects, would shrink from such a gamble with the fates. Japan has not the industrial resources or the technical skill to wage a successful struggle even at sea against the British Empire and America, and the mere fact of the concentration of a powerful Anglo-Saxon fleet in the Pacific, coupled with the knowledge that close co-operation existed between the British and American squadrons, would alter the whole complexion of the Far Eastern problem. With this force in the background British and American protests and advice would no longer be treated with indifference or with derision in Tokio. And we might confidently expect an Anglo-American-Japanese understanding regarding Chinese, Siberian and Pacific questions which would really make for permanent peace in Eastern Asia and the maintenance of those principles which Great Britain, America and *Japan* have repeatedly declared to form the basis of their policy in the Far East.

We may take for granted that in any such understanding the phrase 'preservation of the common interests of all Powers in China by insuring the independence and integrity of that country and the principle of equal opportunity etc.' would probably figure, and, before adopting this formula or any other basis for a common policy in the Far East, it would be necessary to ascertain whether China agrees, in principle, to its application. Great Britain and America are interested parties inasmuch as they have everything to gain and nothing to lose by the preservation of Chinese integrity and independence and of the principle of equal opportunities for the commerce and industry of all nations. There can, however, be little doubt that China would gladly acquiesce in the adoption of such a policy by nations who intended to uphold it, and China's acquiescence would give us the right which might otherwise be challenged by other Powers to insist upon the observance of this policy.

When it comes to the 'defence of special interests in the regions of Eastern Asia etc.' we must consider to what we should be committing ourselves if a corresponding clause were included in an Anglo-American understanding. Great Britain is prepared to abandon the 'special interests' involved in the old spheres of influence policy, and now claims nothing for herself in China which she is not prepared to concede to any other nation. America has no

'special interests' or 'territorial rights' in China and is unlikely ever to claim any. Yet it is useless for Great Britain to renounce 'special interests' and for America to abstain from claiming them, if other Powers do not come into line. And so should not the basis of any Anglo-American understanding on this point be not an agreement to 'maintain' any 'special interests' but an assurance to China that so far as the Anglo-Saxon Powers are concerned, no such interests which conflict with the 'independence and integrity' of China, or the 'principle of equal opportunities for the commerce and industry of all nations' will be recognised? The effect of such a declaration, made in a manner which would leave no doubt as to the intentions of Great Britain and America either in Peking or in Tokyo, would probably be sufficient to bring Japan and other Powers round to the Anglo-Saxon view that the railways of China should be internationalized and operated for the benefit of China and not as political tentacles. For one thing such a declaration should finally close the London and New York Stock Exchange to any borrowing for railways or other public works in China other than those of an international character. Japan is nearing the end of her resources and will soon be compelled to seek financial assistance abroad even for those undertakings which she operates in China today. She cannot expect such aid from any countries except America and Great Britain and if their money markets are closed to her until she agrees to the policy of internationalisation, it will not be long before she capitulates.

This question has now been brought to a head in connection with the future of the Chinese Eastern Railway. The Japanese have already violated the Inter-Allied Agreement providing that the guarding of the Chinese Eastern Railway should be entrusted to Chinese troops. They expected possibly to annex this railway as they have annexed the Shantung Railway (following their little habit of permanently occupying every territory to which her [*sic*] troops are despatched, notwithstanding the pledges she [*sic*] may give to the contrary) and to develop it with foreign capital for their own exclusive advantage. The State Department at Washington were emphatic in their hope that Great Britain would join America in making it plain once and for all that they will not tolerate so perfidious an outrage or recognise now or in the future any claims that Japan may enter in connection with a railway to which she has no conceivable title.

I do not think that a definite Treaty between Great Britain and the United States is necessary to fulfil the desires which both Powers presumably have at heart. It should suffice to reach a definite understanding as to the balance of naval power in the Pacific and the contribution which each Power would make to maintain an Anglo-Saxon fleet of the required standard and at the same time to notify China that Great Britain and the United States, if she so desired, were willing to support her in maintaining her integrity and independence and the Open Door policy, and in particular in upholding her claims in regard to the Chinese Eastern Railway.

Some steps such as those outlined above should be sufficient to inaugurate a new epoch in the Far East. Japan is as interested as—probably more

interested than—any other Power in the maintenance of peace in the Far East. She has experienced serious economic loss, and great loss of prestige by exploiting the preoccupation of other Treaty Powers to menace that peace. Many of the best Japanese people really desire friendly relations with China and the Allied Powers and are ashamed of the discredit that has been brought upon their country by the actions of their leaders. These same Japanese would welcome plain speaking and firm action, and the appearance in the Pacific of an Anglo-Saxon fleet should convince the most chauvinistic of Japanese leaders that the Anglo-Saxon Powers no longer intend to tolerate a policy of bad faith and aggression on the part of those who wield the power in Tokio.

It requires little imagination to conjecture that between now and July 13, 1921, when the term of the present Alliance expires, the Japanese Government will be undergoing searchings of heart as to the future attitude and policy which Great Britain is going to adopt in the Far East, in the light of their experience of the working of the Alliance during the past ten years and more especially during the war. The dramatic termination of the war, which aroused less enthusiasm in Japan than in any other Allied country, caused serious misgivings in Government circles in Tokio as to the results of Japan's policy in China during the preceding four years. It is scarcely necessary to recall the clumsy efforts that were made in Peking to intimidate the Chinese Government into suppressing the various secret engagements into which they had been compelled to enter during the war, and to make the Chinese delegation to Paris subordinate to the Japanese delegates. Japanese statesmen were unable to conceal their apprehension at the prospect of China's playing an independent part at Paris, and but for the immediate publicity given to Tokio's attempts at intimidation, and the deplorable impression that would have been created throughout the world had Japan proceeded to carry out her threats, China would probably have been compelled to submit all her proposals at Paris to Japan for the latter's approval, and to limit her activities in the Peace Conference to echoing the opinions of the Japanese Delegation. On this occasion, however, China was not to be intimidated into silence. She entered a very effective protest against the injustices to which she had been compelled to submit by Japan during the war, and maintained her opposition to the recognition of Japan's claims to the extent of refusing to sign the Peace Treaty. Europe and America have been too [so] absorbed in problems arising out of the war that until now they have had little time or energy to devote to Far Eastern problems. The question of the renewal, in some form, of the Alliance, gives Great Britain, however, the opportunity to make a renewal, if so decided, conditional upon a complete understanding as to Japan's aims and intentions in the future, even if it be impossible to secure reconsideration of the wrongs committed upon China in the past, when Japan assumed the role of paramount Power in China and placed so curious an interpretation upon her obligations under the Anglo-Japanese Treaty of 1911.

In accordance with our traditional habit of 'playing the game', when

conversations on the subject of the termination of the Alliance and the consideration of future policies are embarked upon, we shall no doubt let Japan be aware of the fact, if such it be, that a closer understanding in regard to the Far East is contemplated between the United States and ourselves. Japan is of course already well aware of the trend of Anglo-Saxon opinion in this direction, but until the Alliance lapses it is for us to make her formally acquainted with it. Japan will no doubt assume an air of injured innocence and ask for reasons. Our explanations if required are not far to seek. To mention only two or three which come at once to the mind, (1) the *rapprochement* between Britons and Americans which has been brought about through close and intimate cooperation in the field during the war, (2) the desire of our respective nationals in the Far East who have so many interests in common to see this cooperation extended in peace.

It may, I think, be fairly expected that Japan will strive might and main for the continuation of the Alliance in some shape or other, and I should be in favour of telling Japan plainly that our Alliance with her, as at present understood, constitutes a serious obstacle to a real Anglo-American *rapprochement* on account of the divergence of Anglo-Saxon ideals from Japan's policy in the Far East. Furthermore it can be stated that public opinion, a weapon which Japan is so fond of using at every turn, in British commercial circles both at home and in the Far East, is opposed to renewing a pact from which they feel Great Britain has derived few advantages.

It may not be out of place to close this memorandum by briefly mentioning some conclusions of the manner in which the obligations of the Alliance have been interpreted by Japan, derived from personal experience in China. . . .³

I venture the opinion, which is shared by competent observers, that it is our turn to dictate the terms of any arrangement which it may be decided to come to with Japan—and I may add, in connection with any Far Eastern *rapprochement* which may be considered with the United States, that Mr. Colby, the United States Secretary of State, expressed to Sir Auckland Geddes and me his conviction that whatever administration came into office at Washington would be favourable to such an understanding.⁴

B. A.

³ The following paragraph, mainly historical in character, has here been omitted.

⁴ Sir E. Crowe commented: 'I wish I could share Sir B. Alston's robust faith in American "co-operation" in China or elsewhere. But I see no objection to making further efforts to gain it. E. A. C. Aug. 9.'

No. 81

Sir C. Eliot (Tokyo) to Earl Curzon (Received August 5, 11.30 a.m.)

No. 288 Telegraphic [F 1707/199/23]

Private

TOKYO, August 3, 1920, 12.30 p.m.

Your telegram No. 259 Private.¹

An apparently authentic press telegram published in Tokio reported that

¹ No. 74.

Prime Minister had stated in House of Commons that question of a new alliance with Japan would not be (? taken) (? considered) until after election of President of United States.²

When Japanese Minister for Foreign Affairs desired to discuss details I told him it was too early to do so. I said I had official information that Dominions must be consulted before any negotiations could begin and I added telegram above mentioned indicated that delay might be even longer than (? this).

² In his telegram No. 272 of Aug. 9 (not printed) Lord Curzon replied that no such statement was made 'by Prime Minister or by any other responsible person'.

No. 82

Mr. Clive (Peking) to Earl Curzon (Received August 4, 6 p.m.)

No. 339 Telegraphic [F 1697/2/10]¹

PEKING, August 3, 1920, 11.10 p.m.

Your telegram No. 237.²

Position is as follows:

I submitted draft agreement to my colleagues [July 7].³ Japanese Minister accepted but French and American Ministers said they must first obtain instructions. Same evening latter sent Lamont letters on his own account to Chinese Government,⁴ explaining to me subsequently that he could no longer delay his promised reply to their request for information. Japanese Minister resented action of United States Minister but I urged on both of them increased necessity for a joint note in order to emphasise unanimity of the 4 Governments. While Japanese and United States Governments had in public pronouncements or in note now set out certain points of view before Chinese Government, latter had as yet heard nothing from British and French sources.

Outline of draft note is given in my immediately following telegram.⁵

United States Minister wished to omit all reference to Japan, but having in view your instructions to create best impression possible and fact that to knowledge of Chinese Government establishment of consortium (? has been) delayed 15 months by action of Japan, I consider that omission of all reference to Japanese position would create impression of a half-truth difficult for them to reconcile with American and Japanese point of view.

United States Minister only agreed if reference was also made to Lamont notes. Japanese Minister who always agreed to insertion of first 2 paragraphs

¹ The text of this telegram is printed from an amended copy, the only one preserved in Foreign Office archives.

² No. 76.

³ This date was in the text received at Tokyo.

⁴ Cf. *F.R.U.S. 1920*, vol. i, pp. 548-50.

⁵ Peking telegram No. 340 of Aug. 3, not printed except for extracts in No. 118 below, n. 2. Lord Curzon signified his approval of the draft in his telegram No. 261 of Aug. 12 to Peking, not printed; cf. *F.R.U.S. 1920*, vol. i, pp. 566-7.

relating to Japan has now recommended to his Government acceptance of paragraph beginning 'Letters exchanged between Lamont and Japanese group'.

If Japanese Government accept this, note can be sent in if you approve when moment appears opportune. Recent trouble rendered it advisable in any case to delay communication but once Cabinet is reconstructed immediate application for funds is certain and joint note should therefore be ready for presentation at an early date.

French Minister accepts draft.

Repeated to Tokio.

No. 83

Mr. Clive (Peking) to Earl Curzon (Received October 22)

No. 547 [F 2537/1595/10]

PEKING, August 3, 1920

My Lord,

With reference to my despatch No. 518 of the 21st ultimo¹ I have the honour to transmit herewith copy of a further despatch from the Acting British Consul at Chungking reporting on recent developments in the situation on the Upper Yangtze in connection with the firing on British river steamers.²

The vigorous action taken by His Majesty's Naval and Consular Authorities appears to have produced some effect, at any rate as far as the Chinese General at Changshow is concerned.

The incident of the firing on H.M.S. 'Widgeon' at Changshow (a small town on the river between Chungking and Fowchow) was reported to me by Admiral Borrett³ by telegram (received here on July 13th), with the suggestion that the opportunity was a good one for recording a strong protest with the Central Government in connection with conditions on the Upper Yangtze. I replied by telegram on the following day that in view of the fact that the Central Government exercise no control at present over the province of Szechuan and of the chaotic state of affairs prevailing in Government circles here as a result of the present crisis, any protest would be futile, and that we could for the time being only continue to rely on the joint efforts of His Majesty's Naval and Consular Officers to maintain the safety of navigation on the Upper Yangtze.

(Copy to Chungking.)

I have, &c.

R. H. CLIVE

¹ This had transmitted copies of two despatches from H.M. Consul at Chungking on the subject of piratical attacks on British and American shipping by Chinese brigands and soldiers on the Upper Yangtze.

² This despatch of July 8 is not printed.

³ Rear-Admiral G. Borrett was Senior British Naval Officer, Yangtze.

No. 84

Earl Curzon to Sir A. Geddes (Washington)

No. 651 Telegraphic [F 1701/2/10]

Urgent

FOREIGN OFFICE, *August 4, 1920, 6 p.m.*

My telegram No. 237 to Peking. (July 30th. Notification to Chinese Government about Consortium).¹

From informal talk with Secretary of United States Embassy it appears that State Department are still anxious to make suggested announcement as soon as possible.

Our objections, as set forth in above-mentioned telegram, were fully explained to him and importance was urged of a joint communication to Chinese Government by all the Powers concerned. We also urged desirability of refraining from making any publication in consortium countries at any rate until after Chinese Government had been notified.

United States Embassy appear to know nothing of suggested action at Peking (see Peking telegram No. 305² and our reply No. 219³). There seems to be a misunderstanding somewhere. You should explain matter to State Department and endeavour to persuade them to suspend action until we are all agreed.

Repeated to Peking No. 241 for repetition to Tokio. Repeated to Paris, by bag.

¹ No. 76.

² Of June 26, not printed.

³ No. 58.

No. 85

Earl Curzon to Mr. Clive (Peking)

No. 244 Telegraphic [F 1572/19/10]

FOREIGN OFFICE, *August 5, 1920, 5 p.m.*

United States Government fear withdrawal of Semenov to zone of Chinese Eastern railway and informally enquire whether His Majesty's Government wish to participate in representations to Chinese and Japanese Governments in the sense that presence of his troops would be unnecessary and undesirable, and would encroach upon Chinese sovereignty. Please telegraph your observations and request Tokio to do likewise.

Presence of Semenov would undoubtedly complicate situation but it is doubtful whether joint representations would be either useful or expedient.¹

¹ In their telegrams Peking No. 358 of Aug. 13 and Tokyo No. 318 of Aug. 19 (not printed), Mr. Clive and Sir C. Eliot agreed in thinking that representations would serve no useful purpose. The latter added: 'Military Attaché understands that Seminoff [*sic*] has already left Chita and has decided to retire with his forces to neighbourhood of Borgia [? Borzya].'

Memorandum by the General Staff on the present political and military situation in China¹

[F 1970/139/10]

WAR OFFICE, August 5, 1920

Reinforcements for China Garrisons

1. The existing disturbances in China compel consideration of our military situation in that country in the event of these disturbances assuming an anti-foreign complexion.

Our position in North China is that we maintain a small garrison² in order to carry out our obligations under the Treaty of 1901³ to police a portion of the Pekin-Shan-hai-kuan railway, and in order to provide a guard for our Legation at Pekin and a detachment for Wei-hai-Wei. The latter place at the moment is a British possession. Similar forces for the protection of the railway and of their respective Legations at Pekin are provided by other Powers.

In South China the position is somewhat different, as we only occupy territory which is at present British. This territory includes the very important commercial and naval port of Hong Kong, which is lightly garrisoned⁴ for the purpose of maintaining internal order and taking care of the existing defences and armament.

Apart from these flimsy garrisons we have no troops in China, and the only other infantry in our Colonies in the Indian Ocean and Far East consists at present of a British battalion at Singapore and an Indian battalion in the Malay States. One of these units could be reckoned on as a reinforcement in case of need, but it would require to be replaced by other troops within a short space of time.

2. It may be said at once that our military strength in China bears no relation to the possible strain which might be put on it by an outbreak against foreign action in that country. In the north we act in collaboration with other Powers, some of which (*e.g.*, Japan and America) might agree to undertake the bulk of the protective measures required; but it is inevitable that we should be called on to participate in the task, and if we agreed to do this without very definite restrictions, our liabilities might increase indefinitely. In the south we should have to rely entirely on ourselves and for the adequate defence of Hong Kong alone, if South China were aggressive,

¹ A copy of this memorandum was filed in the Foreign Office on Aug. 27.

² A footnote on the filed copy read as follows: '1 company, British battalion; 1 Indian battalion.'

³ For the Final Protocol of Peking, 1901, between the Foreign Powers and China for the Resumption of Friendly Relations (after the anti-foreign rising of 1900-1 led by the Chinese secret society of the Boxers), see *B.F.S.P.*, vol. 94, pp. 686-715.

⁴ A footnote on the filed copy read as follows: '1 British battalion (*less* 1 company); 1½ Indian battalions; 200 White, 600 Indian, Royal Artillery; 50 White, 50 Native, Royal Engineers.'

the provision of some six additional battalions might be necessary. There is also the question of assistance to our nationals in the treaty ports and the provision of some reserve if operations extending over a large area are undertaken. On the whole, it may be estimated that a reinforcement of at least one division would be required in the first instance to make the military situation in China at all satisfactory, and it is probable that this would have to be increased subsequently.

3. The sources from which such reinforcements could be drawn are limited to the United Kingdom, India, and the Dominions. The military responsibilities of the United Kingdom and India, in Ireland, Britain, Turkey, Egypt, Palestine, Mesopotamia, Persia and India are already so great in comparison to their resources that it seems obviously out of the question to contemplate burdening them with the additional liability of having to reinforce the China garrisons in case of necessity. More important considerations elsewhere might make it quite beyond their power to detach troops for China, and even if such assistance was possible, it might often be inadvisable to attempt to give it, unless the military situation in other theatres was thoroughly secure.

The Pacific Dominions, Canada, Australia and New Zealand might be asked to assist in an emergency and would doubtless agree, as all future events in the Far East must be of deep interest to them. This raises, however, a political question of the first rank, which must be answered before any definite arrangement is come to. The Pacific Dominions will naturally expect a much greater say in Far Eastern questions if the support of Imperial interests in these regions is to be made dependent on their armed strength.

So far no military understanding exists, and no military arrangements have been made, for the assistance of the Dominions in an eventuality of the nature contemplated in this memorandum.

4. The conclusion to which we are forced is that (excluding possible help from the Dominions) we are not in a position to reinforce adequately our very weak garrisons in China in the event of an anti-foreign outbreak in that country. Consequently, if trouble arises, our military action in North China should be confined to such operations as can be carried out with our existing forces acting in conjunction with the military forces of other Allied Powers, even though our prestige may be temporarily lessened thereby. In South China, action must be confined to the immediate defence of Hong Kong, the existing garrison being reinforced by one battalion from the Straits Settlements and supported by such naval assistance as can be made available. Military action to protect our nationals in treaty ports, such as Canton or Shanghai, is beyond our powers. Possibly the Navy might be able to undertake this duty.

No. 87

Mr. Clive (Peking) to Earl Curzon (Received August 10, 8.45 p.m.)
No. 353 Telegraphic [F 1780/19/10]

Urgent

PEKING, August 10, 1920, 3.50 p.m.

Your telegram No. 240.¹

Recent reports from General Becket[t] forwarded in my despatch No. 519 of July 21st² indicate last week improvement in conditions on railway but points two and three having been referred to him he replies adhering to views as regards financial requirements contained in his memoranda forwarded in my despatch No. 372 of May 24th.³ He adds that any money placed under control of technical board would be applied only under its orders.

On July 5th, Chinese Government made formal declaration to the effect that question of railway was one in which Chinese territorial sovereign rights were involved and that should Russo-Asiatic or Chinese Eastern Railway Company approach any Power or Powers for a loan in connection with railway without having first obtained consent of Chinese Government, latter would be unable to recognize transaction. Copy of note has been sent by post.⁴

I am somewhat in the dark as to nature of proposals which appear to have been made by United States Government (see your telegram No. 236).⁵

Repeated to Tokio.

¹ Of Aug. 4, not printed. This repeated Foreign Office telegram No. 650 of the same date to Washington enquiring (i) what the U.S. Government proposed in regard to the provision of funds by H.M.G. for financing the Chinese Eastern Railway, (ii) what would be the approximate sum involved, (iii) in what manner the money would be applied.

² Not printed.

³ Not printed. In these two memoranda Gen. Beckett had advocated an international loan with international control of receipts and expenditure and had estimated the railway company's financial needs for the next four months.

⁴ Under cover of Peking despatch No. 527 of July 27, not printed.

⁵ The reference is probably to Foreign Office telegram No. 236 of July 8 to Tokyo, repeated to Peking. This related to a U.S. Government suggestion that the Railway Boards in Siberia should be amalgamated to form a Bankruptcy Commission. Cf. *F.R.U.S.* 1920, vol. i, pp. 695 ff.

No. 88

Mr. Clive (Peking) to Earl Curzon (Received August 14, 1920, 12.15 p.m.)
No. 356 Telegraphic [F 1815/865/10]

PEKING, August 12, 1920, 5.15 p.m.

My telegram No. 332.¹

Mandate dissolving Anfu Club was issued on August 3rd and Chihli leaders arrived in Peking on following day. Provisional Cabinet was formed

¹ Of July 29, not printed.

on August 11th under former Premier Chinyunpeng. Yenhuiching former Minister to Germany becomes Acting Minister for Foreign Affairs and majority of Cabinet are moderate men and supporters of President.

Danger that net result of crisis may be substitution of control by Mukden military for that previously exercised by Anfu military, still exists and is increased by signs of disagreement between soldiers demobiliz(. . .?ed by)² Wupeifu and Military Governors of Mukden and Chihli. Union of city . . .³ can alone give national character to new Government but it is alleged that South still demand cancellation of Sino-Japanese military pact as condition precedent to negotiations.

Meanwhile Japanese Minister apparently in answer to a direct request for information on this point has informed Waichiaopu that he has given sanctuary in his Legation to political offenders and to nine⁴ out of ten Anfu leaders whose arrest on criminal charges had been ordered by Mandarin [Mandate].⁵ I had previously warned British subjects in Legation quarter not to harbour Chinese refugees⁶ and French and United States Ministers had taken similar action which met with general foreign and Chinese approval.

Repeated to Tokio.

² The text is here uncertain. The text received at Tokyo read: 'soldiers of democrat'.

³ The text is here uncertain. The text received at Tokyo here read: 'Union with South.'

⁴ The text received at Tokyo here read: 'Legation as political offenders to nine'.

⁵ Wording as received at Tokyo.

⁶ Mr. Clive's action was approved in Foreign Office telegram No. 272 of Aug. 21, not printed.

No. 89

Mr. Clive (Peking) to Earl Curzon (Received August 16, 10.30 p.m.)

No. 362 Telegraphic [F 1852/19/10]

PEKING, August 16, 1920, 11.40 a.m.

Your telegram No. 242¹ and Washington telegram No. 553.²

Proposals coincide with views of Russian Acting Manager of Railway as stated recently to His Majesty's Consul at Harbin, namely that Allies should create an international board which would take the place of previous Russian administration until such time as a recognised Russian Government are in position to negotiate settlement with China. But to be a success any such scheme appears to me to require whole-hearted support of Chinese Government. Present attitude of latter towards question is to take advantage of Russia's difficulties to recover her lost rights (see paragraph 2 of my telegram No. 353)³ and is therefore likely to be opposed to any international arrangement having for its object maintenance of *status quo* in interests of Russia.

¹ Of Aug. 4, not printed. This had asked for Mr. Clive's observations on No. 75.

² No. 75.

³ No. 87.

I am inclined to think that our and American interests, which latter are only concerned to prevent Japanese domination, would best be served by consortium offering China financial support—under necessary safeguards as regards expenditure of funds—in running railway in co-operation with Russians but . . .⁴ under nominally Chinese control, rather than by preserving old status in the interest of Russians and in opposition to Chinese aspirations.

Chinese troops are capable, if given a free hand, of guarding the line from attack by brigands but they are not capable of policing Harbin (? or)⁵ railway settlement areas containing large foreign population without co-operation of Russian police or addition of foreign police officers.⁶

Repeated to Tokio.

⁴ The text is here uncertain. The text as received at Tokyo read 'possibly'.

⁵ In the Foreign Office it was suggested that this should read 'and other'.

⁶ In a minute of Aug. 17 Mr. Bentinck commented: 'This is very interesting as it endorses the views which Mr. Butler Wright & I still hold & brings us back almost to the position where we were in April at the time of our original suggestions.'

No. 90

Earl Curzon to Sir A. Geddes (Washington)

No. 684 Telegraphic [F 1817/2/10]

FOREIGN OFFICE, *August 16, 1920, 9 p.m.*

Peking telegram No. 360 (communication to Chinese Government about Consortium).¹

We concur in final paragraph,² but in view of the importance of avoiding further delay, would it not be possible for State Department to agree to drop mention of letters exchanged between Lamont and Japanese group³ seeing that copies are already in the hands of the Chinese Government (see Peking telegram No. 339).⁴

Counsellor of United States Embassy is telegraphing to State Department in the above sense.

Repeated to Peking No. 269 for repetition to Tokio by post. Repeated to Paris by bag.

¹ Of Aug. 13, not printed except for extracts in nn. 2 and 3 below.

² This read as follows: 'As stated in my telegram No. 339 [No. 82] I still consider omission of all reference to Japanese position would create false impression here.'

³ According to Peking telegram No. 360 the Japanese Minister had informed Mr. Clive 'that Japanese Government will not agree to insertion in joint Note of paragraph referring to Lamont notes'.

⁴ No. 82.

No. 91

Mr. Clive (Peking) to Earl Curzon (Received August 19, 3 p.m.)

No. 365 Telegraphic [F 1947/568/10]

PEKING, August 17, 1920, 8.30 p.m.

My immediately preceding telegram.¹

Since 1916 Weatherbe² has been in negotiation for three coal areas in Russian Saghalien which include practically whole of economic field. He has received assurances of official support from time to time (see Foreign Office letter to him of May 28th 1919)³ but changes in Siberian Government have prevented project from maturing. His representative in Vladivostok now appears on point of concluding an option on (? these) three properties involving deposit of 200,000 dollars. If contract is concluded it is proposed to form British China Company including British shipping interests and same Chinese group as control iron properties referred to in above mentioned telegram.

In view of urgent need of securing fresh coal supplies for British shipping and industrial interests I am continuing to afford tacit support to negotiations.⁴

¹ Of Aug. 17, not printed.

² Mr. D'Arcy Weatherbe was manager and representative in China of the British American Mining Co.

³ Not printed.

⁴ Mr. Clive's action was approved in Foreign Office telegram No. 277 of Aug. 25, not printed.

No. 92

Record by Lord Hardinge of his conversation with the Japanese Ambassador on August 18

[F 2156/2140/237]

FOREIGN OFFICE, August 18, 1920

The Japanese Ambassador handed to me to-day the annexed copy of the reply of his Government¹ to the American note relating to the occupation by Japanese troops of the Province of Saghalien.² He told me that he did so on account of the verbal inquiry addressed by me to him some weeks ago as to the permanency of the occupation which he had referred to his Government.³

I told him that we had been asked by the United States Government to join them in representations to the Japanese Government, but that we had declined to do so and had contented ourselves with a verbal inquiry.

He thanked me warmly.⁴

H.

¹ This memorandum, dated Aug. 13, is not printed. For the text, see *F.R.U.S. 1920*, vol. iii, pp. 522-4.

² See No. 78, n. 1.

³ See No. 77.

⁴ This record was initialled by Lord Curzon.

Memorandum communicated by the Japanese Ambassador¹

[F 1878/33/10]

LONDON, August 18, 1920

The Japanese Government have made a most careful examination of the Memorandum of the British Government dated the 13th December last, in regard to the Japanese administration of Tsingtao and other questions relating to Shantung,² and now venture to submit their very frank views on the subject to the serious consideration of the British Government.³

It is pointed out first of all in Lord Curzon's Memorandum that the Japanese administration in respect of the harbour, customs and land tenure at Tsingtao has constituted, in certain instances, an infringement of the principle of the open door and equal treatment and that such is markedly at variance with the repeated assurances of the Japanese Government. The Japanese Government are not certain whether the Japanese Delegation in Paris gave assurances as to the application of the principle of equal opportunity to Tsingtao in the sense alluded to in the British Memorandum. But, as a matter of fact, they undertook even during the war to act in strict conformity with that principle in the administration of the occupied territory, with the sole and inevitable exception of certain cases in which it was found necessary to impose temporary restrictions for military reasons. It has never entered the mind of the Japanese Government to promote the commercial interests of Japanese subjects by practising discrimination against the commerce and industry of non-Japanese nationals; nor have they ever entertained the slightest desire to take any measures which would prejudice legitimate foreign interests. It was, therefore, unbelievable that the Japanese authorities should have been engaged in an administration so unfair and illegal as was depicted in the British Memorandum. In view, however, of the British representations, the Japanese Government instructed the Authorities concerned to institute a scrupulous investigation of facts, the result of which has now been submitted in the form of detailed reports, unmistakably showing that the local Authorities have always been endeavouring to the utmost of their ability to give effect to the policy of impartiality laid down by the Japanese Government. The Japanese Government further undertook to issue instructions to the Authorities reminding them once

¹ This memorandum was handed to Lord Hardinge by the Ambassador on Aug. 18.

² Vol. VI, No. 620. On July 20, 1920, Lord Curzon had communicated a further memorandum to Viscount Chinda reminding him that the promised detailed reply to H.M.G.'s memorandum of Dec. 13 had not yet been received, and adducing 'further examples of what appear unsatisfactory features in the administration of the port'. At the same time he noted 'with satisfaction that . . . a settlement has been reached with regard to the acquisition by British firms of certain residential and business sites in the port of Tsingtao in which they were interested'.

³ For a statement on the Shantung question issued by the Japanese Ministry of Foreign Affairs on June 15, 1920, see *The China Year Book*, 1921-2, pp. 716-19.

again of the great importance of adhering to the principle of impartiality in the administration even to the minutest detail. It is, indeed, a matter of surprise and regret that Lord Curzon should appear to entertain the impression that Japan is making illegal encroachments upon foreign interests and that the Japanese Government are acting in defiance of their repeated assurances. The Japanese Government venture to presume that nothing but some misunderstanding or at least insufficient understanding of the actual facts in the matter could have produce[d] the present unfortunate impression upon the British Government. Some important features of these facts will be succinctly stated in the present Memorandum.

1. *Harbour Facilities*

- (a) In the administration of the harbour the Japanese Military Authorities adhere to the principle of impartiality and have in no instance taken any action subordinating the interests of the nationals of other Powers to those of Japanese subjects.
- (b) The warehouse accommodation is afforded strictly according to the precedence of application, without making any distinction between Japanese and non-Japanese applicants; and nationals of any Power are on no account entirely precluded from obtaining such accommodation.
- (c) The wharf charges levied on goods to be loaded on the train direct from the steamship as well as those to be loaded on the steamship direct from the train, are lower than those imposed on other classes of traffic. However, the wharf charges in general are levied according to the rates indicated in the tariff, and no distinction is made on account of the nationality of the goods or owners.

The quarantine inspection is exercised according to the precedence of the arrival of the ships, except that mail-boats taking regular routes are given priority over casual traders; and further, in the matter of wharf facilities, as well as the berthing of ships, the precedence of application is strictly observed, no distinction being made in view of the nationality of the applicants.

While the Japanese Government fail to grasp the exact sense of the phrase 'the administration of harbour' as used in the British Memorandum, they deem it important to note that a clear distinction should be drawn between the right to administer the harbour on the one hand and the actual maintenance and management of harbour works, such as wharves, on the other. The former is a political right, the final disposition of which should be made conformably with precedents in China and further should be taken into consideration along with the question of the delimitation of the boundaries of the Settlement. The latter however is a purely economic privilege; and if it be the contention of the British Government that that also would constitute a political right the Japanese Government are constrained to express their divergence of views. Such economic privilege the Japanese Government are

entitled to retain; but in view of the common interests of all nations concerned they have the intention of making such arrangements as may be demanded by justice and fair play with the Chinese Government in this respect.

2. Customs Administration

As to the question of the Tsingtao Customs, it is actually a part of the Chinese Customs Service, Japan merely duly succeeding to the German rights. It is, therefore, not in the least in contravention with the declarations of the Japanese Government relative to the restitution of the Leased Territory of Kiaochow to the Chinese sovereignty, to maintain the present régime of the Tsingtao Customs until a reform in the customs arrangements is effected concomitantly with the eventual restitution. Moreover, the customs officials are exerting their best endeavours to apply justice to the administration even to details. As to the smuggling of opium and morphia pointed out in the British Memorandum, the police authorities concerned are exercising strict supervision with a view to its prevention, and in cases of detection the offenders have always been subjected to rigid punishment. In no instances these drugs have been permitted to pass under the pretence of their being war materials.

In these circumstances, it is inadmissible that such 'scandals' in the services of the Customs as pointed out in Lord Curzon's Memorandum have ever been perpetrated. However, it is recognised as fair that, with the eventual restitution, the Tsingtao Customs should be placed on a basis more international than under the German régime, and the Japanese Government have in view to discuss the matter with the Chinese Government in order to decide upon the concrete plans of reform.

3. Land Tenure

Some of the private-owned German lands have been liquidated under the provisions of the Regulations for the Control of Enemy Property, but the German Government lands have not been sold although they have been leased in certain cases and no distinction has been made in this respect between Japanese and non-Japanese. The lands purchased from Chinese owners are also leased to Japanese or non-Japanese applicants without distinction. As a matter of fact, a very few applications have been made by foreigners and those have been granted them without exception. The limitation of the terms of leases is a natural corollary of the temporary nature of the Japanese occupation of the Leased Territory, and in its application Japanese and non-Japanese lessees are treated on the footing of perfect equality.

It is quite natural that the temporary arrangement should be different from the legislation in force under the former régime, when the territory was in definite possession of Germany. However, it is difficult to believe that this arrangement should have the particular result of excluding non-Japanese

from Tsingtao. The representation on the Council responsible for the administration of the Settlement is not to be decided by the mere fact of land-holdings, but the Japanese Government will not fail to have a regard for the close relations between the representation and land-holdings in deciding upon the course in respect of the land question; such course will always be just and impartial and due consideration will surely be given to the interests of all nations concerned. In point of fact, the majority of the foreign residents in the territory in question being Japanese, and by far the greatest amount of business transactions being carried on in their hands, it is confidently hoped that, bearing in mind the position now enjoyed by British subjects in Shanghai, the British Government will not fail to perceive the logical consequence which would follow from these indisputable circumstances.

It was entirely from the consideration of public safety that the removal of oil tanks belonging to the Asiatic Petroleum Company was ordered. As the City of Tsingtao has of late made a remarkable development, the ground in the vicinity of the tanks has begun to be chosen as a site for the building of stores and factories. The Japanese Authorities, recognising that the region thus promises to become an important commercial and industrial district, have started reclamation work, and they were obliged to order the removal of the tanks in question which are situated in the midst of the assigned lands to be reclaimed. As to the circumstances of the case, full explanation has already been made to the British Ambassador in Tokyo.⁴ However, it having not in the least been in the mind of the Japanese Government to inconvenience the conduct of business by the Asiatic Petroleum Company on account of the removal of the tanks, they are actually consulting with the Authorities concerned in order to give special consideration to the company as to the selection of a new site for the tanks and with a view to minimising as far as possible the expenses to be incurred on account of the removal.

The reason for offering a lease of land for the residence of a manager of the company, with the term of 10 years, has been given in the foregoing paragraph, and it is needless to add that it was by no means a case of discrimination against the manager.

Turning now to the more general question of the Japanese position in Shantung, Lord Curzon, in expressing his regret at the delays on the part of the Japanese Government in carrying out their assurances, invites their particular attention to the opening of negotiations with the Chinese Government and also to the withdrawal of the Japanese forces stationed along the railway, and his Lordship proceeds to suggest a new scheme in regard to the Shantung railway. In his interview with Lord Curzon on the 30th December last, Viscount Chinda dwelt on the subject at length and requested a careful consideration thereof of the British Government.⁵ The Japanese Government have never departed from their firm determination to carry out loyally and scrupulously the understanding arrived at between the Principal Allied and Associated Powers in Paris, the assurances given by the Japanese delegation at the Peace Conference, and the public pledges made from time to time

⁴ Cf. Vol. VI, No. 754.

⁵ See *ibid.*, No. 648.

by the Japanese Government. It is indeed highly regrettable that the British Government should still entertain even the slightest misgiving in this respect. It goes without saying that the Japanese Government would never agree to a settlement which they consider to be incompatible with those understandings and assurances.

As regards the opening of negotiations with the Chinese Government concerning the Shantung question, it is obvious that no steps could have been taken with the Chinese Government prior to the coming into force of the Treaty of Versailles and with that, the actual surrender of the German rights to Japan for her free disposal. This point was fully elucidated in the declaration made by Viscount Uchida on August 2nd, 1919.⁶ The dissatisfaction, however, felt by a certain section of the Chinese people, as well as in the Chinese government circles, with the terms of settlement arrived at in Paris in regard to the Shantung question, gave rise to a violent anti-Japanese agitation throughout China, creating a situation which made it very difficult to open negotiations with that country. Even in the face of such situation, the Japanese Government, attaching great importance to their public pledges, gave instructions for the opening of negotiations to the Japanese Minister at Peking immediately upon the coming into force of the Treaty of Peace on the 10th January last. Acting upon these instructions, Mr. Obata addressed a communication to the Chinese Government on the 19th January last in the sense that, in conformity with the repeated declarations, the Japanese Government are desirous of entering into negotiations with the Chinese Government in regard to the restoration of Kiaochow and other pertinent matters, with a view to arriving at a speedy settlement of the question, and the Chinese Government were asked to make the necessary preparations therefor.⁷ Four months have since elapsed but no reply has as yet been received from the Chinese Government. Moreover, from the information in the hands of the Japanese Government, it is gathered that the anti-Japanese agitation among certain classes of Chinese is still running high and that the Chinese Government have come to the decision, mainly out of consideration of home politics, to adopt a dilatory policy in sending a reply to the Japanese overture. Accordingly, the Japanese Government have recently instructed Mr. Obata to urge the Chinese Government to bring the matter to a speedy settlement. It is the ardent hope of the Japanese Government that the Chinese Government may be induced to exert their best endeavours towards the conclusion of a satisfactory adjustment of this question, in the same spirit of justice and sincerity as is manifested by the Japanese Government.

Further, as to the question of the railway police force, an explicit understanding was already arrived at between the representatives of the Principal Allied and Associated Powers. The Japanese Government, needless to say, has never for a moment entertained the desire to adopt any scheme at variance with that understanding. The presence of the Japanese troops along the Shantung Railway has been nothing but a temporary measure

⁶ See Vol. VI, No. 460

⁷ See *ibid.*, No. 689.

taken in order to secure the safety of traffic, pending the completion of the organisation by the Chinese Government of a police force capable of affording due protection to the railway. The Japanese Government are prepared to withdraw all the Japanese troops, including the gendarmes, upon the conclusion of an agreement on the subject between Japan and China, as was publicly announced by Viscount Uchida on the 2nd August, 1919,⁶ or even previously, should the organisation of an adequate police force be completed earlier by the Chinese Government. The Japanese Minister at Peking sent a communication to the Chinese Government in that sense on the 19th January last, expressing at the same time the hope for a speedy completion of the organisation of the Chinese police force.⁷ The Japanese Government are unable to believe that the Japanese forces guarding the railway have been among the principal causes of unrest in the province of Shantung.

An express understanding was also reached among the Representatives of the Principal Allied and Associated Powers in Paris that the Shantung Railway should be operated as a joint Chino-Japanese enterprise, in fact as well as in name, and that no discrimination should be made against any nation.⁸ It is to be noted that the purport of this understanding was embodied in the declaration of the Japanese Foreign Minister. The Japanese Government have not the slightest intention to reduce the enterprise to a joint one only in name, and they would deem it very unfortunate if their attitude were to be called in question on the strength of *ex parte* reports. Again, a suggestion is made by Lord Curzon to place the Shantung railway virtually under an international control, but the Japanese Government are unfortunately unable to accept such formula which appears to them to be in evident contravention with the undertaking of Paris. It is a matter of no small regret and surprise to the Japanese Government that the British Government should appear to be under the impression that the scheme for the joint management of the Shantung Railway, to which Viscount Uchida is pledged in his Declaration, might be inadequate to safeguard the rights of China, and, further, that they intimate as if Japan harboured the intention of making the railway an instrument for territorial expansion. That the maintenance of the territorial integrity of China is the long-established policy of the Japanese Government, needs no emphasis. The Shantung railway under the German régime was obviously an extension of the leased territory of Kiaochow, which formed the base of German political and military activities; and naturally it was invested with a political and military character. Since the Japanese occupation of the leased territory, however, the management of the railway in question has been placed entirely under the civil administration, and there has consequently been introduced a change in the relations between the railway and the leased territory. Further, it is to be expected that upon the restoration of the leased territory to China, and with the coming into operation of the joint management of the line, the railway will acquire the character of a purely economic enterprise like other railways in China.

The Japanese Government have always been most anxious to live up to

⁸ Cf. *ibid.*, No. 427, Annex.

their engagements and nothing could be farther from their intention than to make their administration of Tsingtao an exception to this rule. However, they owe it to frankness to express their disappointment at the apparent misgivings of the British Government as to their sincerity of purpose, and they wish to assure Lord Curzon that, in doing so, they are solely actuated by the spirit of genuine and cordial friendship in which his Lordship's Memorandum is also conceived.⁹

⁹ In a note of Sept. 10, commenting upon the foregoing memorandum, Mr. H. H. Fox of the Department of Overseas Trade wrote as follows: 'A perusal of this memorandum leaves one with the impression that being unable to refute the specific charges of discrimination and obstruction by local authorities made in Lord Curzon's memorandum of Dec. 13th last the Japanese Ambassador is forced to have recourse to denials in general terms based on what he declares to be the declared policy and aims of the Japanese Government in regard to the question of Shantung, and one is disposed to discount the value of these denials because we have learnt by bitter experience in Korea and Manchuria how wide a gulf separates the professions of the Japanese Govt. and the practices of its subordinates, more especially when these subordinates happen to be military officials. I agree with Mr. Wellesley that the reply is disingenuous and without venturing to comment in detail on the various questions touched upon in the memorandum I would cite one or two points which are within my knowledge in support of this opinion.

'The Ambassador states, with reference to quarantine regulations at Tsingtao, that "mail boats are given priority over casual traders". It is notorious that almost every Japanese steamer plying between Japan and China ports carries mails, often only a few bags, for the Japanese post offices which are dotted up and down the coast of China and it is generally believed that this is done in order to obtain for them when necessary the privileges of mail boats. Messrs. Jardine Matheson and Co. and Messrs. Butterfield and Swire maintain a regular service of cargo and passenger steamers between Shanghai and Tsingtao and it is incorrect to describe their vessels as "casual traders".

'The reference to the British position at Shanghai may almost be characterised as impertinent. Shanghai is an international settlement governed by a municipal council elected from among the foreign ratepayers which is under the control of the Consular Body, a form of government under which all nationalities, excepting the Chinese, have equal rights and opportunities. Originally leased to us by the Chinese, the British Government deliberately surrendered their special rights and turned the leased area into an international settlement. In this settlement British interests have until lately been larger than all the rest put together and the governing body has in consequence always been largely British, but even our worst enemies admit that this Government has always been scrupulously fair and liberal and that we have never used our position to further our own interests at the expense of our neighbours. The Japanese commercial community, whose development during the past five years has been phenomenal and who now claim the largest share of the foreign trade of the port, will be the first to admit that this is true. It is unthinkable that British merchants in Tsingtao would enjoy similar rights and opportunities under a municipal council which would be predominately Japanese.

'The Japanese Ambassador states that dissatisfaction with the "Paris settlement" was felt by a "certain section" of the Chinese people. He must be aware that the boycott against the Japanese in China, which was the outcome of the Peace Conference, is in regard to its scope and intensity without precedent in that land of boycotts and that the anti-Japanese feeling in China to-day is probably the only matter in which the Chinese people all over the country are really united and that it has done more than anything else to form and make articulate a public opinion which the Powers are even now being forced to take into account in their dealings with China.

'With regard to the Shantung railway the Ambassador states that "upon the restoration of the leased territory to China . . . the railway will acquire the character of a purely

economic enterprise *like other railways in China*". He must be aware that with the exception of the railway in Yunnan and the railways in Shantung and Manchuria all Chinese railways are now managed and controlled not as joint enterprises but as Chinese Government lines. He also appears to have overlooked the fact that one of the objects of the Consortium, of which Japan is a member, is to assist the development of railway construction and administration in China not by means of foreign concessions but by international agreement under which the railways will be built for China and placed under her control, though some form of international supervision of finance and construction may be necessary.

'If I may be allowed to express a personal opinion I would suggest for consideration that no good purpose is served by continuing a discussion with the Japanese Government on the subject of their alleged lack of impartiality in the administration of Tsingtao. We shall never bring the Japanese to admit that they are in the wrong and we know from our experience in regard to the trade-mark question where time and again we have produced tangible proofs of the systematic fraudulent marking of Japanese goods, how little regard the Japanese Government pay to arguments based on evidence and logic. Moreover I am prepared to admit that the actual damage to our shipping and other interests at Tsingtao has possibly been exaggerated. What the British commercial community in China do feel (and I may perhaps claim to voice their opinion in this matter) is that unless steps are taken to force the Japanese to restore Tsingtao to China without delay they will have made for themselves a position in that port and the hinterland which will make it impossible for British merchants to compete on even approximately equal terms, in other words that Tsingtao and Shantung will go the way of Korea and Manchuria. I venture to think that this view is entitled to serious consideration because it has not been formed hastily or lightly, the British communities in China, through their organs the Chambers of Commerce, having acted in the matter of their protests with deliberate moderation. They refused at the cost of being misunderstood by their Chinese friends to associate themselves with the public protest made by the American chamber of commerce at Shanghai at the end of 1918 on the ground that the Japanese must be given time to fulfil their promises and it was not until nearly a year later when the Japanese determination to secure for themselves everything worth having in Tsingtao became plainly evident that they took the matter up with H[is] M[ajesty's] G[overnment]. I think we should point out to the Japanese Government that however good their intentions may be, their actions have, rightly or wrongly, been entirely misunderstood not only by the people of China but by the whole body of foreign public opinion in that country and that it is in their power at any time to remove this misunderstanding by taking practical steps to hand back Tsingtao and the Shantung railway to China on the lines suggested in the memorandum drawn up by British firms at Tsingtao contained in Mr. Lampson's despatch No. 147 of the 15th March, 1920 [Vol. VI, No. 775]. By so doing they would give a practical and convincing demonstration of the sincerity of their oft-repeated statement that "the territorial integrity of China is the long established policy of the Japanese Government". While they would thus put themselves right in the eyes of their Allies and the world at large they would stand to lose very little as the proximity of Tsingtao to Japan and the interests already acquired by their nationals in that port and Shantung would ensure their enjoying a dominating share in the trade of the port.

'H. H. Fox'

No. 94

Earl Curzon to Mr. Clive (Peking)

No. 273 Telegraphic [F 1926/2/10]

FOREIGN OFFICE, *August 21, 1920, 6 p.m.*

Your telegram No. 367.¹ Consortium. (Notification to Chinese Government about Consortium).

¹ Of Aug. 18, not printed.

State Department now consider that reference to Japanese position in your draft is not full enough.² They state that China is entitled to receive all essential documents relating to negotiations and they ask that you may be instructed to join your colleagues in communicating to Chinese Government documents on list in my immediately following telegram³ instead of the brief resumé prepared by you.

We fear that this will considerably delay action, especially as Japanese Government are likely to object. Our main concern is to give to the Chinese a correct statement in a form which should prove acceptable to them. If Americans concur, a preliminary statement on the lines already proposed would appear desirable in order to avoid delay. This might be followed by a fuller statement later as soon as all parties are in agreement.

We should be glad of your observations.

Repeat to Tokio. Repeated to Washington No. 694 and by bag to Paris.

² See Nos. 76, n. 1, and 82.

³ No. 274 of Aug. 21, not printed; cf. *F.R.U.S.* 1920, vol. i, pp. 566-7.

No. 95

Mr. Clive (Peking) to Earl Curzon (Received August 28, 11 a.m.)

No. 375 Telegraphic [F 1979/1979/10]

PEKING, August 26, 1920, 12 noon

At weekly reception yesterday Doctor (?? Yen) new Minister for Foreign Affairs¹ said that at last Cabinet meeting he had been specially charged to convey to me hope and wish of Chinese Government to maintain most friendly possible relations with His Majesty's Government. Chinese Government fully realised great position held by Great Britain in the world today and (? magnitude) and importance of her interests in China and they were determined to do everything possible to encourage good relations. He begged me to convey this message to Your Lordship. I thanked His Excellency for this expression of goodwill which I had no doubt entirely corresponded with sentiments of His Majesty's Government.

Message is undoubtedly given with intention and is not merely a polite expression on the part of a new Government.

There are four points on which attitude of His Majesty's Government specially interests Chinese Government.

1. Anglo-Japanese Alliance.
2. Shantung question.
3. Relations with Russia (China follows with greatest interest progress of British negotiations).²

¹ Cf. No. 88.

² i.e. the negotiations begun during the summer of 1920 between H.M.G. and the Soviet Russian Government for the resumption of trading relations; see Vol. VIII, Chaps. III, VI and XV, and Vol. XII, Chap. V.

4. Resumption on the part of China of relations with Germany.

I would suggest that I be authorised to convey a friendly message in return on general lines without specific reference to particular questions.³

³ Mr. Clive was so authorized in Foreign Office telegram No. 288 of Sept. 13, not printed.

No. 96

Mr. Clive (Peking) to Earl Curzon (Received August 29, 11.30 a.m.)

No. 379 Telegraphic [F 1981/568/10]

PEKING, August 27, 1920, 10 a.m.

My telegram No. 365.¹

Weatherbe has received information that Japanese have occupied . . .² and district, that Russian officials have been removed and that no one can land on Saghalien without permission from Japanese Military Authorities at Valdivostok [*sic*].

He therefore fears practical obstruction to coal development. Regarding Japanese co-operation suggested in Tokio telegram No. 323,³ he is not in favour of proposal. We should⁴ not require their financial assistance or fear any honest Commercial competition, while he can command better technical assistance than they can supply. He appreciates however the risk of political, military or other unfair obstruction but fears that proposed co-operation would not be sufficiently safe⁵ unless Japanese Government were officially prepared to support joint undertaking, though even British shipping people might shy off on pure business grounds if Japanese co-operation were sought.

Alternatives therefore appear to be:

1. To continue on present lines despite political changes in Saghalien but this is only possible if he can count on whole hearted (? support of) His Majesty's Government in development of his *bona-fide* interests already acquired. This is the course he would much prefer but unless we have definite assurance that Japanese occupation is not permanent he must largely depend on Japanese good-will.

2. Co-operation of Japanese but only if Japanese Government officially recognise and support joint enterprise on fair terms. British shipping group would require to be amply satisfied on this point before participating.

3. Surrender of British interests to Japanese on payment of full compensation but this only in last resort.

Before spending further money Mr. Weatherbe is anxious to have the views of His Majesty's Government as soon as possible.

¹ No. 91.

² The text is here uncertain. The text received at Tokyo read: 'Alexandrovsk'.

³ This telegram of Aug. 23 (not printed) had stated that Mr. Weatherbe contemplated 'the possibility of inviting participation of Japanese capitalists if necessary subsequently arriving at agreement with the Russian holders'.

⁴ The text received at Tokyo read: 'He does.'

⁵ The text received at Tokyo read: 'sufficient safeguard.'

*Memorandum by Mr. Wellesley respecting the Anglo-Japanese Alliance*¹
[F 2200/199/23]

Secret

FOREIGN OFFICE, *September 1, 1920*

PART I

Introductory Remarks

The Far Eastern Question is a political phenomenon of comparatively recent growth. It dates from the rise of Japan in the early sixties. No one who has devoted any time and attention to its study can fail to recognise that with the termination of the third period of the Anglo-Japanese Alliance on July 13th, 1921, we shall have reached the parting of the ways as regards our future policy in that quarter of the Globe. Upon our decision will depend the destiny not only of our own Far Eastern possessions and interests but that of one-quarter of the human race. Signs are not wanting to show that the centre of political gravity may shift from West to East before many decades have passed. The importance of the occasion can therefore hardly be exaggerated and our choice must be a matter of deep and abiding concern to the whole civilised World. The time has therefore come for a review of the whole political situation of the Far East with the utmost care and circumspection, so that whatever decision be arrived at, that decision may be based on a full knowledge and understanding of all the factors which come into play in the shaping of our future policy. . . .²

PART II

Alternative Proposals for the Renewal of the Treaty

Having discussed the arguments for and against renewal of the Treaty and having outlined what should be the guiding principle of our Far Eastern policy in the future,³ we come to the consideration of the various alternative courses which lie open to us on the expiry of the Anglo-Japanese Alliance, in July 1921. Our choice should depend to a large extent on the result of our

¹ In a covering minute, dated Sept. 24, Mr. Wellesley suggested that a small Committee should be formed 'to consider (1) the course to be taken by H.M. Govt. in regard to the renewal or otherwise of the Alliance & the various alternatives contained in this Memo: and (2) the line of policy which H.M. Govt. should adopt in future in the Far East.' For this Committee, see Nos. 139 and 212 below.

² The remainder of Part I of this very lengthy memorandum is here omitted both on account of limitations of space and because it largely reiterates information summarized and considerations put forward in previous despatches and memoranda, including No. 40 above.

³ i.e. 'a carefully planned constructive policy for China and the creation of a proper equilibrium of economic interests in that country' after 'a full and frank discussion with the Americans'.

conversations with the United States Government, but a previous examination of these alternatives should materially assist in discussing the subject with the Americans.

The possible alternatives are:—

1. Not to renew the Treaty.
2. To renew the Treaty as it stands subject only to such modifications as may be necessary to bring it into harmony with the Covenant of the League of Nations.
3. To renew the Treaty in a form less in the nature of an Alliance and with the addition of an adhesion clause, with a view to the ultimate participation of the United States and other Powers.
4. To renew the Treaty as under (3) but without adhesion clause and aim at a parallel agreement between us and the United States, on more or less identical lines with a view to an eventual consolidation.

Non-renewal

If we decide on non-renewal we shall have to rely on the League of Nations for the maintenance of the independence and integrity of China and on an active and vigorous consortium policy for that of the 'Open Door', which means of course closer co-operation between us and the United States, rather than with Japan whose policy, as exemplified by the Nishihara loans,⁴ will be to evade it whenever she can. As has been seen we cannot count on a strong Consortium policy for a considerable time to come at least. Non-renewal will in all probability mean an openly hostile Japan.

Alternative II

We can renew the Treaty as it stands subject only to such modifications as may be necessary to bring it into harmony with the Covenant of the League of Nations. The effect of this would be to give us rather more hold over Japan than if we had no Treaty at all; but we should still have to look to a vigorous Consortium policy rather than to the treaty itself for the maintenance of the 'Open Door'. In this case we must expect to find that with the growing divergence of policy between the contracting parties and the ever-increasing tendency, inevitable with a strong consortium policy, to co-operate with the United States against Japan that we shall be brought more and more into opposition with the latter Power, that friction will increase and that our position will become more and more illogical and difficult if not altogether untenable as time goes on.

Alternative III

Though I am not disposed to place much faith in the renewal of the Treaty *per se* in any form I nevertheless think that, bearing in mind the policy of

⁴ A series of loans made to China during the First World War by Japanese interests with the backing of the Japanese Government.

closer co-operation with the United States as explained above, it could be so remodelled as to make it a somewhat more effectual instrument⁵ upon which to base a future constructive policy. For this purpose it would be necessary

1. to deprive it of the character of an Alliance.
2. to emphasize its character as a self-denying Ordinance.
3. to insert an adhesion clause enabling other Powers to join principally with a view to the adhesion of the United States.

As regards (1) the Treaty was originally framed to secure the independence and integrity of China against the aggression of Russia. The elimination of that Power and of Germany from the Far East, at least for a long time to come, has removed the danger from that quarter, at any rate for any period that may reasonably be fixed as the term of the new Treaty, and with it the main reasons which brought the alliance into existence have disappeared. The danger in the Far East is no longer Russia but Japan herself. In these circumstances it is difficult to see what need there is for the renewal of a defensive alliance. On the one⁶ hand from the point of view of policy there is every reason for the omission of the military clause, for without that the United States could never be induced to adhere.

The Admiralty and War Office views do not appear to be necessarily opposed to the omission of the military clauses so long as we can ensure a friendly Japan. On the other hand the contention that we cannot afford to maintain a fleet powerful enough to back a strong policy in the Far East is based alone on considerations of economy. I submit that even in our present straitened circumstances such an argument should not be allowed to weigh in the balance against considerations of the highest policy⁷ to which it is entirely opposed. Indeed a powerful fleet in Far Eastern waters is essential if our much diminished prestige is to be restored and if we are to continue to play a leading part in that quarter of the globe. A strong Anglo-American fleet would be better still. If we are not to have a strong squadron in the Far East it may be asked where else in the world can our navy be employed to greater advantage?

In lieu of the military clause a provision might be inserted in accordance with which the parties would agree to consult each other as to the measures to be taken should their interests be affected. All reference to India should be omitted. (This has been agreed to by the India Office but it may be well to retain it at first for bargaining purposes and give it away in the form of a concession.)

As regards (2) the Preamble of the Treaty should confine itself to the affirmation of certain broad basic principles of an altruistic nature. For this purpose the wording of the existing Preamble might be closely adhered to.

As regards (3) the main object of this new and all-important feature is of course to leave the door open for the ultimate adhesion of the United States.

⁵ In the Confidential Print this read: 'as merely to enunciate certain general principles'.

⁶ In the Confidential Print this read 'other'.

⁷ In the Confidential Print this read: 'of high policy'.

Unfortunately there is one very serious objection to the adhesion clause. If we could be reasonably certain of American participation at an early date a Treaty framed on these lines would offer by far the best solution of all our difficulties in the Far East. We are however not likely to obtain that certainty and without it the adhesion clause is fraught with a danger which we cannot contemplate without misgiving. It is this. Whereas the adhesion of the United States would enormously strengthen our position the adhesion of other Powers interested in the Far East [such] as France, Holland and Portugal [*sic*] without the *United States* would only weaken rather than strengthen our influence over the Japanese—in other words go far to destroy the main reason for renewing the treaty. That is a risk we cannot afford to take. China, of course, stands in a position by herself. Her *amour-propre* is offended at the existence of a Treaty of which she is the subject but to which she has not been invited to become a party and in regard to which she has not even been consulted. It is quite clearly no longer possible to ignore her. We shall at least have to consult her before we renew the treaty. The adhesion of China after the United States would I think undoubtedly be desirable, but it is a moot point concerning which there is some difference of opinion whether her adhesion without the United States would be an advantage or indeed possible. In any case she is not likely to become a party so long as the Shantung question has not been settled in a manner satisfactory to herself. Should this be thought desirable it would become necessary to insert a clause specifically providing for her entry should she care to become a party.

Failing any reasonable certainty of early American adhesion and in view of the danger inseparable from the adhesion clause so long as the United States remain aloof, there is one more alternative which in the circumstances appears to me to offer the best chances of ultimate success without incurring any risks.

Alternative IV

1. To renew the Treaty modified so as to bring it into harmony with the Covenant of the League of Nations without the military clause and without the addition of the adhesion clause, the original parties being limited to ourselves and Japan.

2. To endeavour to effect an agreement on parallel lines between ourselves and the United States.

3. To limit the term of the renewal with Japan to five years. (The shorter the term the better will be her behaviour.)

4. To make the date of expiry of the Anglo-American Agreement synchronise with that of the Anglo-Japanese Treaty.

5. To endeavour eventually to consolidate the two bilateral Treaties into one multilateral one including China and possibly with a general adhesion clause to enable other Powers to come in.

6. The forms of the engagement should be that of an agreement between Governments and not a Treaty requiring ratification. Not only are we much more likely to induce the Americans to sign it, since it will not require the

approval of the Senate, but in the new diluted form it is much more in consonance with a lesser degree of solemnity.

Though somewhat cumbrous, I am inclined to think that on the whole this last alternative is the best and the more likely to succeed in the long run.

Conclusion

There is, I think, no doubt that, under such an arrangement (Alternative IV), and still more so if we were eventually to succeed in substituting a multilateral Treaty, Japan would find it much more difficult to pursue an active and aggressive policy under the restraining influence of Great Britain and the United States acting in unison than under a bilateral Agreement with an Ally whose world-wide interests render her peculiarly liable to preoccupation elsewhere, thereby affording endless opportunities for furthering her own ends, seemingly with our tacit acquiescence, as has in fact happened during the war.

A frank exchange of views⁸ would do much to clear the air and even if nothing more results from our conversations than an assurance of the moral support of the United States Government that alone would strengthen our position in the forthcoming negotiations with the Japanese Government which promise to be both difficult and delicate.

We must of course be prepared for strong opposition on the part of Japan to the omission of the military clause and also to the adhesion clause if it be decided to adopt alternative III. Whatever be decided upon it is well to remember that we hold the trump cards in our hands. It is not Great Britain but Japan who is so desperately anxious to secure a renewal of the Treaty. Her hopes of a stalemate to the war have been disappointed. She is acutely conscious of her political isolation as the result of the defeat of Germany and the collapse of Russia, and the one thing she fears above all is closer co-operation between us and the United States. She realises that she cannot stand up against an Anglo-American combination in the Pacific. A Russo-German-Japanese alliance might be of advantage to Japan on the Asiatic side of the Pacific, but Japan is an island empire, and therefore sea power is to her of great importance and such a combination would not give her the supremacy of the sea as against an Anglo-American combination and would therefore not benefit her to the same extent.

The only way in which Japan can hope ultimately to be able to withstand an Anglo-American combination would be by obtaining complete control of the resources of China. As the Alliance opposes no obstacles to her policy of exploiting China it has in Japanese eyes the double attraction that it prevents an Anglo-American combination for the present and does not prevent her strengthening her hold upon China which will guard her against the eventualities of the future. Therefore the Anglo-Japanese Alliance is the corner-stone of her foreign policy. She knows that denunciation of the Treaty on our part would be a disastrous blow to her prestige throughout the World, for it would generally be interpreted as evidence of Great Britain's disap-

⁸ In the Confidential Print the words 'with the Americans' were here inserted.

proval of her policy in the Far East and of British distrust of her pledges in the future. I venture to think that with a little firmness Japan can be brought to renew the Treaty on our terms. Sir C. Eliot lends colour to this view in stating that Japan would agree to almost any alteration of the Treaty provided it is renewed in some form.⁹ Moreover it must not be forgotten—as pointed out by the India Office—that Japan is dependent on India for her cotton supplies. That is a strong lever.

We have gone too far in condoning her conduct in the past to be able to bring Japan severely to task for her misdeeds, but this much is essential. When the time comes for negotiating with Japan we must extract a pledge of the utmost frankness as to her intentions in the future. There must be no repetition of the 21 demands. Furthermore we must insist on a definite understanding being arrived at with regard to certain outstanding questions affecting the economic stability and independence of China. By far the most important is a satisfactory settlement of the Shantung question. Above all Japan must be made to agree to the inclusion of the Shantung Railways in the Chinese Railway unification scheme. Article 156 of the Treaty of Peace of course places us in a very difficult position as regards this matter. Having once given our sanction to the surrender of all German rights to the Japanese we have legally no *locus standi* to demand this but I cannot see that we have no right to bargain for it. Japan's desire to renew the Treaty is so intense that I am inclined to think that Japan will give way on this point if pressed hard enough. It cannot be too strongly emphasized that so long as this railway remains in the hands of the Japanese it presents a real danger to the Peace of the Far East and Shantung can hardly fail to become a second Manchuria with infinitely more disastrous consequences for it means Japanese penetration into the very vitals of China. If Japan refuses to agree to this such action on her part will provide the clearest possible proof of her real intention in regard to that province and go far to undermine any faith we may have in the assurances given in Paris. Unless Japan can be prevailed upon to accept the principle of unification it becomes in the light of past experience a farce to repeat the 'Open Door' formula in the new Treaty. The surrender of the railway would solve three-quarters of the Shantung problem, and in order to secure that I should be inclined if necessary to make some concession possibly the retrocession to China of Wei-hai Wei (provided the Admiralty agree). Such action on the part of His Majesty's Government would be in accordance with the general policy of the maintenance of the integrity of China and of the self-denying principles of the Consortium, which are opposed to the idea of special interests, and spheres, &c. Since Russia and Germany are no longer in Port Arthur and Kiaochow respectively, the return of Wei-hai Wei to China would be no more than the fulfilment of an honourable obligation on our part.¹⁰

V. WELLESLEY

⁹ See No. 52, p. 43.

¹⁰ In the Confidential Print the following sentence was here added: 'Moreover, such a policy, even if unsuccessful, would be an earnest of our desire to redress the wrongs we have

so unfortunately been compelled to acquiesce in through force of circumstances and help to restore confidence in British justice and goodwill among a people who sooner or later will control the destiny of the Far East.'

Mr. Wellesley's memorandum was submitted for comment to Sir J. Jordan and Sir Conyngham Greene (H.M. Ambassador at Tokyo, 1912-19) among others. Sir J. Jordan generally agreed with it, but thought that the procedure for implementing Mr. Wellesley's fourth proposal was 'rather cumbrous and unlikely to produce the desired result'. He suggested that 'instead of a formal Treaty, we should confine ourselves to an exchange of identic Notes with Japan and the United States. This course would have several advantages over a Treaty and would be little less effective in practice. In the first place, it would eliminate all question of Ratification, secondly, it would follow the precedents which have been established between Japan and the United States in dealing with the question in the past, and thirdly, it would be much more acceptable to China whose susceptibilities will have to be taken into account. The Takahira-Root Agreement of 1908 [B.F.S.P., vol. 101, pp. 1036-8] furnishes an exact model for an arrangement of the kind I have indicated. It covers all the ground comprised in the proposed Draft Treaty and furnishes a common meeting ground for all three Powers in formulating a joint Far Eastern policy. It contains no military clause and could easily be adopted to meet the requirements of the Covenant of the League of Nations.' Sir J. Jordan added that he entirely agreed that 'a settlement of the Shantung question must be a condition precedent to the conclusion of any Agreement'.

Sir C. Greene's lengthier comments concluded as follows: 'I agree . . . in thinking that the fourth Alternative offers the best prospect, for the present, of securing the objects which His Majesty's Government have in view.

'I venture to make the following observations on the five sections of the proposal.

'(1) The renewal of the Treaty, divested of the character of an Alliance, omitting the Military clause and substituting for it a provision for mutual consultation, will probably not be agreeable to Japan, but, in all fairness, might it not be hinted to her Representative in conversation that we cannot be expected to enthuse over her recent attitude towards us, or to consider it as all that might have been expected of an Ally in war-time, the very eventuality for which a Defensive Alliance is supposed to be framed? We might add, in Mr. Wellesley's words, that the elimination of Russia and Germany from the Far East makes it difficult to see what need there is for a renewal of such an Alliance. Any provision for the adhesion of outside Powers would in my opinion be risky, at any rate for the time being, as it would certainly give opportunities for intervention and intrigue, opportunities of which Japan would not hesitate to take advantage. In the case of China, would not her *amour propre* be probably satisfied if, instead of making special provision for her adhesion, we placed her upon the same footing as America, and made a special point of consulting her also before renewing the Treaty? Her adhesion to the Treaty, after the United States, would no doubt be desirable, but it would certainly be distasteful to Japan and would only embitter the relations between the two countries, which in China's own interest should be avoided, if possible.

'(2) As regards Sir John Jordan's view that what we really want is a tripartite agreement with Japan and the United States, in the form of an Exchange of identic Notes with these two Powers on the model of the Takahira-Root Agreement of 1908, I share Sir John's opinion as far as the tripartite nature of the understanding is concerned, if it can be realised, indeed this was my own suggestion in my original letter to the Foreign Office of August 30, 1917 [not printed], but I hesitate to declare myself offhand in favour of the plan of an Exchange of Notes in preference to a Treaty. Japan attaches importance, as we know, to the continuance in some form of a great international Compact which has been useful to her, whatever it may have been to us, for twenty years, and has certainly added largely to her *prestige* as a Great Power. For this reason I feel doubtful whether she would be eager to accept a mere Exchange of Notes as a substitute for a Treaty. If, however, she were to consent (and surely we might urge that her acceptance to-day of a form of agreement similar to that which she signed with the United States in 1908, far from being derogatory to her

dignity, constitutes as a matter of fact a precedent both for her and for the United States for the course now recommended by us) then it seems to me that Sir John's proposal presents the advantages which he claims for it and deserves favourable consideration. However that may be, it would be wise to sound the Japanese Government on this point eventually, if ever a tripartite arrangement should seem within reach, before taking definite action, as it would be a pity for us to advance a suggestion which might hurt Japanese susceptibilities or take away from whatever virtue we might hope to acquire by a renewal of the Treaty as such.

'Meanwhile I entirely agree in Mr. Wellesley's remark that "before deciding on any of these alternatives the first thing to do is quite clearly to ascertain what likelihood there is of the United States coming in either immediately or at some future date", and, as the Counsellor of the United States Embassy has hinted that his Ambassador would like to have an opportunity of discussing Far Eastern Affairs before the Anglo-Japanese Alliance is renewed, it seems to me to be of the greatest importance to ascertain His Excellency's views at the earliest possible moment, and all the more so as Mr. Butler Wright's invitation appears to imply a willingness on the part of his Government to initiate the discussion. In this connection Sir Cecil Hurst's memorandum seems to me particularly interesting [this memorandum of Aug. 6 by the Legal Adviser to the Foreign Office is not printed]. He is also in favour of an Exchange of views with the United States, and, arguing that the advantage of the renewal of the Anglo-Japanese Alliance is less to Great Britain than the advantage which would ensue to her from an Anglo-American combination in the Pacific, he holds that, if the proposed Exchange of views indicated the possibility of such a combination, the renewal of the Alliance would be to Great Britain a loss and not a gain; and, further, that even if the Anglo-American combination failed to materialise, the United States might go so far as to adopt an attitude of close cooperation with His Majesty's Government in China. Pending the upshot of such an Exchange of views, which might or might not yield satisfactory results, and, having regard to the past attitude of the United States Senate, which in 1911 declined to ratify our Arbitration Treaty [see Cd. 5805], although we had re-drafted our Alliance Treaty with Japan in expectation of such ratification, I think it would be prudent for us to "carry on" with the consideration of our present plans for a renewal of our Treaty with Japan, inasmuch as this renewal, if decided on, must be effected before next July, but on no account to commit ourselves to any definite course of action *vis-à-vis* of Japan so long as we are not in possession of the intentions of America. It is only after we have threshed out the whole future of the Far East and the Pacific with the United States Government, and ascertained for certain whether they would be willing and able to commit themselves to a signed agreement, and if so what form of Agreement, that we shall be in a position, in consultation with the Dominions, to decide upon an eventual course of action in a problem in which the British Empire is so intimately concerned.

'(3) It would, in my opinion, be desirable to cut down the term of renewal with Japan to five years at most, and to leave her to gather that, having regard to our past experience, we do not care to embark upon a new full term of ten years. In other words, Japan would be "on her good behaviour" for the reduced period of renewal.

'(4) This seems a good arrangement.

'(5) The five years' term would give us ample time to judge by experience whether, if at all, the suggested consolidation of the two bi-lateral Treaties into one multi-lateral Agreement, with or without a general adhesion clause, is possible and desirable. . . .'

*Memorandum handed by Lord Curzon to the Japanese Ambassador
on September 14*

[F 1963/56/23]¹

FOREIGN OFFICE, September 3, 1920

His Majesty's Government understand that Mr. G. L. Shaw, a British subject resident at Antung in China, was arrested in Korean territory upon July 11th by the Japanese police on a charge of having entered that region without being in possession of a Passport. It now appears, however, that Mr. Shaw is detained by the Japanese authorities to await trial for certain offences against Japanese law. H.M. Ambassador at Tokio has obtained a report of the case which has been prepared by the Governor General of Korea and it seems that Mr. Shaw is accused of assisting the Korean Provisional Government by the following overt and specific acts to establish at Shanghai a revolutionary party in preparation for a rising.

- (1) Permitting the use of his premises at Antung.
- (2) Assisting Koreans coming and going between Shanghai and Antung by providing them with vessels managed by himself.
- (3) Enabling them to escape arrest by informing them of measures taken by the authorities.
- (4) Giving direct advice in regard to measures to be adopted in the independence movement.
- (5) By remitting to the Provisional Government by his own cheques contributions collected from people in Korea.

From this it appears that the whole of the actions complained of were committed within territory outside the control or sovereignty of Japan and within the territory of the neighbouring State of China. It is appreciated that the Japanese Government appear to be acting within the powers conferred on them by their own municipal law as Japan in common with other countries has enacted legislation which authorizes her courts to deal with offences committed by foreigners abroad. H.M. Government, however, contend that the exercise of this jurisdiction is contrary to International Law and they cannot admit Japan's jurisdiction over acts committed by a British subject when resident within the jurisdiction of another State. This principle is regarded as being repugnant to International usage and practice and H.M. Ambassador at Tokio has accordingly been requested to protest against Mr. Shaw's arrest and detention.² While admitting the right of any State to punish criminal acts committed within the [? its] jurisdiction by foreigners who are permanently and transiently resident within its territory it cannot be conceded that a foreigner can be held amenable to the criminal law of a State to which at the time he owes neither allegiance nor duty.

¹ Only the approved draft has been traced in Foreign Office archives.

² In Foreign Office telegram No. 279 of Aug. 19 to Tokyo and again in No. 292 of Aug. 30 (both not printed).

There is, moreover, another ground on which H.M. Government contend that their protest is legitimate. A British subject enjoys by Treaty extra-territorial rights in China and the admission of the present pretention of the Japanese Government would be evasive of the extra-territorial jurisdiction and highly dangerous to the liberty of British subjects abroad, who would thereby be exposed to a dual jurisdiction in respect of their behaviour. In accordance with International usage, therefore, H.M. Government claim their right to protect a British subject when abroad & consider that their case is strengthened in this particular instance, inasmuch as Mr. Shaw has chosen to reside in China where his amenity to the criminal law is regulated by the provisions of a Treaty.

It is further suggested that some at least of the charges now formulated against Mr. Shaw can, if supported by sufficient evidence, be submitted to the jurisdiction of H.B.M. Supreme Court at Shanghai.³ H.M. Government have always been ready and willing to listen to representations which might have been made to them by the Japanese Government for the prosecution of Mr. Shaw, provided that evidence was produced to show that he had in fact committed offences within the jurisdiction of the British Courts. If the Japanese Government so desire, instructions will be given to H.M. Ch. d'Affaires at Peking to take the necessary steps to examine the matter from this point of view.

In the meantime, however, H.M. Government have no alternative but to press for the unconditional release of Mr. Shaw from a detention which, as indicated above, is in their view contrary to International Law.⁴

³ This suggestion was made e.g. in Tokyo telegram No. 330 of Aug. 30, not printed.

⁴ In his subsequent telegram No. 304 of Sept. 17 to Peking (not printed) Lord Curzon stated that in handing the memorandum to the Japanese Ambassador he had 'argued the case from the standpoint of its effect upon the sentiments of the British community in the Far East, already by no means pre-disposed to a continuance of the Anglo-Japanese Alliance'. (Peking telegram No. 368 of Aug. 21, not printed, had reported a protest by the Shanghai Chamber of Commerce against Mr. Shaw's arrest, had stated that it was understood that other British Chambers of Commerce in China had been urged to associate themselves with this protest, which had been published, and had commented on the 'bitterly anti-Japanese' tone of articles in the British press in China.)

No. 99

Earl Curzon to Mr. Clive (Peking)

No. 489 [F 1924/195/10]

FOREIGN OFFICE, September 3, 1920

Sir,

With reference to your despatch No. 416 of the 5th June last,¹ I transmit to you herewith a copy of a letter from the Eastern Pioneer Company dated the 16th April last, regarding their negotiations for concessions in Szechuan.¹

I am disposed to think that all possible support should be afforded to the

¹ Not printed.

company in their negotiations with the Szechuan authorities for oil and potash mining rights in Szechuan, on the understanding that any agreement is submitted to the Central Government in Peking for approval. The company should not, however, rely on any rights conferred under the Pritchard Morgan 'Charter',² the existence of which the Chinese Government has consistently refused to recognise.

His Majesty's Government would not identify themselves with the interests of any private company in China by appointing a representative on its board, unless political considerations rendered it imperative that they should obtain control of China's potash supplies.

It has not so far been thought necessary to send any reply to the company's letter, but if you agree I propose to cause a reply to be returned on the lines indicated above.³

I am, &c.

(For the Secretary of State)

VICTOR WELLESLEY

² The Chinese Government alleged that Mr. Pritchard Morgan of the Eastern Pioneer Co. to whom this mining concession had been granted in 1899 had failed to fulfil one condition of the contract.

³ No such reply has been traced in Foreign Office archives. Mr. Pritchard Morgan and two directors of the Eastern Pioneer Co., however, visited the Foreign Office on Oct. 29, and in Nov. 1920 the Company suggested that their representative in Szechuan should, with the aid of H.M. Consul, make arrangements to work the potash. The conditions proposed were summarized as follows in a Foreign Office memorandum of April 27, 1921 (not printed): 'that the Pritchard Morgan contract should be used as a lever for that purpose, it being assumed that the British Government desired to control the output, prices, and distribution of the potash in the same manner as the German Government controlled the German potash. In return for their support, His Majesty's Government were to be offered one half of the profits derived from the undertaking, and were to be invited to appoint Directors on the board of any subsidiary company that might be formed.' The memorandum went on to record that in reply the Company were told on Dec. 10, 1920, that 'the question as to whether or not the newly formed International Consortium would be willing to acquire the Pritchard Morgan contract was one which the consortium alone could answer and was not a matter on which this Office could offer any opinion'. So far as concerned potash, 'the Foreign Office view was that the existing contract could not be held to involve any special right to the potash deposits in Szechuan. This being so the proposal to invite British Government participation need not be considered further. At the same time, it was suggested that, in view of the altered conditions in China, the Company's best interests lay in inviting the co-operation of substantial Chinese business men in any enterprise they might have in view.'

No. 100

Sir C. Eliot (Tokyo) to Earl Curzon (Received September 6, 9 a.m.)

No. 333 Telegraphic [213733/11/57]

TOKYO, September 4, 1920, 12 noon

Following from Military Attaché.

1. Very Secret. Marsden¹ was shown by General Lavassallne² at Vladi-

¹ Major J. W. Marsden, H.M. Assistant Military Attaché at Tokyo.

² In the text as sent from Tokyo this name read 'Lavergne'; i.e. presumably the French general of that name, formerly head of the French Military Mission in Moscow.

vostock a document dated February 20th, 1920, signed by orders of Bolshevik Commissar at Nikolsk Ussurii summarised as follows:

A Instructions for establishing agencies in connection with Far East Central Bureau at Nikolsk Ussurii.

B Agencies already established at Yokohama, Kobe, Nagasaki, Shanghai, Peking, Saigon, Singapore and Colombo.

C Fresh 'Cellules' to be organised and, I understand, specially urged at Colombo and Suez.

D Following *modus operandi* advocated for agents:

1. To have a trade or business as camouflage.

2. At least one year's residence in country.

3. Familiarity with language and customs of locality.

4. To seize every opportunity of making trouble between capital and labour.

E It had no³ funds issued from Central Bureau at Nikolsk Ussurii, which is financed from Moscow.

2. Reference Military Attaché's (? telegram to) Dirmilint No. 236 of June 26th,⁴ according to Verkne Udinsk reports British prisoners have been sent from Irjaodiak to. . .⁵

3. My telegram No. (? 302) of August 12th:⁶ Japanese (? calculation of) total of Bolsheviks' fighting strength does not include Verkne Udinsk troops. See Military Attaché's telegram to Troopers No. 248 of July 15th.⁴. . .⁷

³ The three preceding words were not in the text as sent from Tokyo.

⁴ Not traced in Foreign Office archives.

⁵ The text received was here uncertain. The text sent read: 'from Irkutsk to Moscow.'

⁶ Not printed. This had given the Japanese estimate of Soviet Russian fighting strength as '30,000—average of 6,000 per division although few if any divisions reach this figure'.

⁷ A final paragraph relating to a correction of a previous unprinted telegram is here omitted.

No. 101

Mr. Clive (Peking) to Earl Curzon (Received September 8, 11.30 a.m.)

No. 384 Telegraphic [F 2082/139/10]

PEKING, September 6, 1920, 4.45 p.m.

Your despatch No. 312 of June 19th.¹

I can only add that course of events since Peking despatch No. 76² was written has tended and is still tending to confirm that five rather than three years are likely to elapse before British garrison in North China can be reduced without risk to our interests.

¹ Not printed. This had transmitted copy of a letter of June 11 from the War Office to the Foreign Office enquiring the length of time for which it was probable that the services of a complete British battalion would be required in North China.

² Of Feb. 18, not printed.

No. 102

Earl Curzon to Mr. Clive (Peking)

No. 286 Telegraphic [F 1981/568/10]

FOREIGN OFFICE, *September 7, 1920, 3.30 p.m.*

Your telegram No. 379.¹

(Coal projects in Russian Saghalien.)

Japanese memorandum to State Department of August 13th, copy of which was handed to Lord Hardinge on August 18th,² states that occupation of Northern Saghalien is a measure which Japanese Government were compelled to adopt pending establishment of a legitimate Government and satisfactory adjustment of Nikolaevsk affair. It must not be construed as an act of territorial aggression.

In view, however, of uncertain political situation in the future, we consider alternative two the wiser and safer course.

See my telegram No. 266 July 30th to Tokio³ which Tokio should repeat to you.

Repeat to Tokio.

¹ No. 96.

² See No. 92.

³ No. 77.

No. 103

Mr. Clive (Peking) to Earl Curzon (Received September 11, 11.5 p.m.)

*No. 391 Telegraphic [F 2100/2086/10]**

PEKING, *September 10, 1920, 6 p.m.*

Russian Minister called to-day to say that Chinese Government had warned him that they would shortly cease to recognise Russian Legation and his consulate. First warning he received was on 7th September, when a cypher telegram he had addressed to Russian consul at Harbin was returned to him. On his requesting explanations, Minister for Foreign Affairs asked him to call at his private house, and said that position had now become impossible.

Russia and China had several thousand miles common frontier, but many Russian officials had ceased to recognise authority of Russian Minister, who represented no sort of Government.

In the circumstances, Chinese Government could no longer allow exchange of cypher telegrams between Russian officials in China.

Russian Minister thinks that Minister for Foreign Affairs—although he did not mention it—had in mind Kalmikof incident, reported in my telegram No. 385, last paragraph.¹ At the same time, delegates from Verkne Udinsk

¹ Of Sept. 7, not printed. The main part of this telegram referred to the refusal of the Chinese Government to continue payment of the Russian share of the Boxer indemnity. The last paragraph referred to a recent incident at Kirin, when Russian Consul in defiance

Government, who are now in Peking, are in telegraphic communication with Moscow by cypher, and though not officially recognised are in touch with Chinese officials. Russian Minister asked Minister for Foreign Affairs for a short delay, and has telegraphed through French Minister to ascertain whether French Government will allow such semi-official French protection to Russians in China as would be admitted by Chinese Government.

Future position of Russian concessions at Tien-tsin-Hankow, &c., is not clear, but Chinese Government may be expected to try to suppress them. Russian Minister is personally relieved at release from intolerable position.

(Repeated to Tokyo by post.)

of orders of Russian Minister continued to harbour Kalmikoff [Ataman of the Ussuri Cossacks, who, during internment by the Chinese authorities at Kirin, had taken refuge with the Russian Consul there] until Chinese authorities finally entered Consulate and arrested Kalmikoff and Consul'.

No. 104

Sir A. Geddes (Washington) to Earl Curzon (Received September 15, 3 p.m.)
No. 637 Telegraphic [F 2129/19/10]

WASHINGTON, September 14, 1920

Chinese Eastern Railway.

My immediately preceding telegram.¹

In communicating paraphrase Secretary of State observed that preservation of Railway from Japanese control was of equal importance not only to America and to ourselves but also eventually to a reconstituted Russia. He suggested accordingly that Great Britain and America should take some such step as delivery of an identical note to Japan pointing out that neither Government can agree to Japan taking control over Railway and requiring of Japan a clear statement that she adheres to policy of Allied control which should endure until such time as Russia is in a position to undertake control herself.

I should be glad to learn what answer should be returned to suggestion of Secretary of State.

¹ Of Sept. 14, not printed. This had reported a paraphrase communicated by the U.S. Secretary of State of two telegrams received from the U.S. Commissioners at Harbin and Vladivostok.

No. 105

Earl Curzon to Sir A. Geddes (Washington)
No. 744 Telegraphic [F 2120/19/10]

Urgent

FOREIGN OFFICE, September 15, 1920, 7 p.m.

Your telegram No. 625 (Russian gold).¹

Following from Chancellor of Exchequer.

¹ Of Sept. 12, not printed. This referred to an undertaking by the U.S. Secretary of State (reported in Washington telegram No. 554 of July 27, not printed) to try to persuade

If absolutely necessary in order to secure agreement you may express 'strong reasons to hope' that sum necessary for Chinese Eastern Railway will be made available out of balance of 16 million dollars.

the U.S. Government to agree to the use of 76 million dollars of Russian gold recovered from the Germans (see No. 75) in part payment of an Anglo-French loan, provided that H.M.G. agreed to use a portion for financing the Chinese Eastern Railway. H.M.G. proposed to ship 66 million dollars of gold at once for purposes of the loan and to withhold the balance pending a decision whether it should be used for the Chinese Eastern Railway.

No. 106

Earl Curzon to Mr. Clive (Peking)

No. 290 Telegraphic [F 2102/479/10]

FOREIGN OFFICE, September 15, 1920, 7 p.m.

Your telegram No. 371.¹

British and Chinese Corporation are telegraphing to their representative to the effect that they are prepared to negotiate agreement for survey and construction of Nanchang-Chaochowfu line with extension to Amoy and Foochow as soon as Mr. Mayers returns. Corporation request re-consideration of conditions imposed by Ministry of Communications. They will be willing to co-operate with American and other financiers. In the present conditions of the money market they cannot undertake to conclude negotiations within a fixed period.

As the Corporation work in co-operation with the Hongkong and Shanghai Bank this concession would fall to the Consortium so that objection in my telegram No. 223² would be met.

¹ Of Aug. 24, not printed.

² No. 62.

No. 107

Earl Curzon to Mr. Clive (Peking)

*No. 298 Telegraphic [F 2086/2086/10]**

FOREIGN OFFICE, September 18, 1920, 3 p.m.

Your telegram No. 385:¹ Chinese refusal to pay Russian share of Boxer indemnity.

Attitude of His Majesty's Government remains the same as in 1918.²

¹ Of Sept. 7, not printed; see No. 103, n. 1.

² In his telegram No. 272 of May 16, 1918 (not printed) the then Secretary of State for Foreign Affairs, Mr. Balfour, said that the position of the Chinese Government was 'unsustainable' and that the matter must be left entirely to their discretion.

No. 108

Mr. Clive (Peking) to Earl Curzon (Received September 21, 3.25 p.m.)

*No. 400 Telegraphic [F 2164/2086/10]**

PEKING, September 20, 1920, 8.5 p.m.

My telegram No. 391.¹

From various reliable sources have received following information about Russian Mission from Verkneudinsk now in Peking:—

Yourin, head of the mission, is better known as Zevaltovski, who played a considerable part in Russia in early days of revolution. Though he denied, in an interview with the 'Times' correspondent, having any connection with Moscow, he is known to be communicating in cypher with Moscow. Moreover, Russian consul at Urga reports that, in an address to Russians there, he declared that it was on behalf of Soviet that he was coming to Peking. He states openly that he stands by appeal, authenticity of which had subsequently been denied, from Soviet to Chinese people, enclosed in Peking despatch No. 191 of 29th March,² and that he is willing to negotiate with China new treaty on basis of complete equality and abolition of extra-territorial rights, concessions, &c.

French Minister learns that he has been making large purchases of wool, leather, chemicals and motor-cars, to be paid for³

Japanese Minister told me whole question was seriously exercising his Government, who, in view of large indebtedness of old Russian Government to Japan for munitions of war, could not view with equanimity renunciation of Russian assets, such as Chinese Eastern Railway, Boxer indemnity, &c.

See also telegram which 'Times' correspondent is sending to-night.⁴

(Repeated to Tokyo.)

¹ No. 103.

² Not printed. Cf. Vol. VI, No. 797.

³ The text is here uncertain.

⁴ See *The Times*, Sept. 23, p. 7.

No. 109

Letter from Earl Curzon to Sir J. Jordan¹

[F 2155/2155/10]

FOREIGN OFFICE, September 21, 1920

Sir,

Upon the termination of your long and successful career in His Majesty's Consular and Diplomatic Services, I desire to convey to you an expression of the warm thanks of His Majesty's Government for the loyal and valuable services which you have rendered for forty-four years and in particular during the last fourteen years when you represented Their Majesties King Edward the Seventh and King George the Fifth in the capacity of Minister at Peking.

¹ Sir J. Jordan had retired on Aug. 14, 1920.

The position of a foreign representative at Peking is seldom easy. During the last six years it has been exceptionally difficult. Nevertheless throughout the crisis and trials of the recent War you upheld British interests with fidelity and success, thus crowning a career which has been unique among those of foreign Ministers at Peking, both in respect of your experience of China and of the esteem in which you have been held by the Chinese Government and people.

Your reports have also been of great value to this Department and the manner in which you have carried out your instructions has never failed to meet with the entire approval of His Majesty's Government.

In the retirement upon which you have now entered I trust that you may long continue to enjoy the leisure which you have so fully earned.

I am, etc.,

CURZON OF KEDLESTON

No. 110

Earl Curzon to Mr. Clive (Peking)

No. 302 Telegraphic [F 2144/2144/10]¹

FOREIGN OFFICE, *September 22, 1920, 6 p.m.*

Press reports as to presence of Chinese in Bolshevik armies have been brought privately to notice of Chinese Minister as being likely to give rise to feeling against Chinese people generally.²

You should take what steps you can privately in the matter.

¹ Only the approved draft has been traced in Foreign Office archives.

² A cutting from the *Daily Telegraph* of Sept. 15 was enclosed by Mr. Wellesley in a letter of Sept. 24 (not printed) to the Chinese Minister in London, asking him to bring such reports to the serious attention of his Government.

No. 111

Sir C. Eliot (Tokyo) to Earl Curzon (Received September 24, 7 p.m.)

No. 365 Telegraphic [F 2217/19/10]

Urgent

TOKYO, *September 24, 1920, 11.20 a.m.*

I have received Washington telegram No. 637¹ and your telegram No. 299 to Peking.²

Some important passages are mutilated but I understand Japanese are supposed to contemplate seizure of Chinese Eastern Railway, and that there is a proposal that His Majesty's Government and United States Government should address identic notes to Japanese Government asking for explanations.

¹ No. 104.

² Of Sept. 20, not printed. This had stated that H.M.G. was 'inclined to agree as to desirability of some form of joint representation, but we should be glad of your observations and those of Sir C. Eliot'.

No information has reached me or United States Ambassador [Embassy]³ which confirms idea that Japanese contemplate changing *status quo* on Chinese Eastern Railway. I discussed Siberian affairs with Minister for Foreign Affairs today and said I saw it was announced that Japanese would transfer Russia's [to the Russians]³ management of line from Habarovsk to Nikolsk. I presumed that this would not affect management of Chinese Eastern Railway.

He replied that it would make absolutely no difference—Chinese Eastern Railway would continue to be managed by present Board. He showed no sign of anxiety as to future of railway, and in another part of our conversation observed that he doubted if Chinese would really go so far as to accept Bolshevik envoy. I therefore think alarmist views referred to in Mr. Clive's telegrams Nos. 400⁴ and 410⁵ must be personal to Japanese Minister at Peking and are not shared by his Government. British and United States Military Attachés both believe all Japanese troops which were stationed west of Harbin have been withdrawn, and it is hardly likely that this would have been done had any attempt upon line been contemplated.

³ Wording in text as sent from Tokyo.

⁴ No. 108.

⁵ Of Sept. 23, not printed.

No. 112

Mr. Clive (Peking) to Earl Curzon (Received September 25, 12.30 p.m.)

No. 413 Telegraphic [F 2218/2218/10]

PEKING, September 24, 1920, 3.30 p.m.

China is faced with disastrous famine affecting some thirty million people in provinces of Chihli Shantung Honan and Shansi.¹ British residents in Peking have formed Committee subsequently to be merged in International Relief Committee to co-operate with Chinese. Many lives may be saved by prompt measures and at suggestion of British Committee, I beg that China Association may be notified and asked to bring facts to knowledge of British firms trading with China who may wish to contribute to relief expenses.

¹ For particulars of this famine in North China and of the relief measures taken, see *The China Year Book, 1921-2*, chap. xxviii.

No. 113

Earl Curzon to Sir C. Eliot (Tokyo)

No. 311 Telegraphic [F 2206/56/23]

FOREIGN OFFICE, September 24, 1920, 7.15 p.m.

My telegram No. 304¹ and your telegram No. 360.²

Press reports that Shaw has not yet been brought before any Court and

¹ See No. 98, n. 4.

² In this telegram of Sept. 21 (not printed) Sir C. Eliot had reported that the Japanese

that there has been no preliminary hearing of the charges against him. He has now been detained nearly two and a half months in spite of our protests; this is an intolerable situation.

You should continue to press in the strongest terms for his unconditional release and should point out to the Minister for Foreign Affairs that his prolonged detention is creating a very bad impression upon British public opinion.

Repeat to Peking.

Prime Minister and Foreign Minister had arranged to send two confidential messengers to Seoul 'with instructions to try and arrange with Governor-General some settlement satisfactory to His Majesty's Government'.

No. 114

Mr. Clive (Peking) to Earl Curzon (Received September 25, 12 noon)

*No. 415 Telegraphic [F 2245/2036/10]**

PEKING, September 24, 1920, 10.40 p.m.

My immediately preceding telegram.¹

French Minister has received telegram from his Government expressing view that Russian Government property and Russian concessions in China should, pending a recognised Government in Russia, be held in trust in such a way as *Corps diplomatique* may decide. Japanese and Italian Ministers are instructed, in² concert with their interested colleagues, in a similar sense. United States Minister has received telegram from his Government with no definite instructions, but indicating view that, Russia being helpless, . . .³ Allied [and] Associated Governments are interested in seeing that rights and property of Russia in China are not wantonly sacrificed, and suggesting international guardianship.⁴ At interview to-day, Minister for Foreign Affairs asked my opinion of mandate (see my immediately preceding telegram). Having received no indication of views of His Majesty's Government, I was careful to express no opinion regarding complicated questions of Russian concessions and Chinese Eastern Railway, and merely asked his Excellency what would be position of M. Yourin. He said that there was no question of allowing him diplomatic privileges, and the right to send cypher messages had now been stopped. He did not represent Moscow Government, but claimed to represent Far Eastern Republic, i.e., Siberia east of Baikal. Chinese Government were not, however, fully satisfied as to his credentials.

My United States colleague, who saw Minister for Foreign Affairs later, questioned him about Russian concessions. Minister for Foreign Affairs

¹ Of Sept. 24, not printed. This had summarized the Chinese Presidential mandate of Sept. 23 intimating that the present Russian Minister and Consuls would no longer be treated as such. For the mandate, see *F.R.U.S. 1920*, vol. i, pp. 764-5.

² In the text received at Tokyo this read 'to'.

³ The text is here uncertain. The text received at Tokyo read 'principal'.

⁴ Cf. *F.R.U.S. 1920*, vol. i, pp. 763-4.

replied that further mandates would be issued about these shortly, but it was not the intention of Chinese Government to interfere with the present municipal administration beyond substituting Chinese official in place of Russian consul on council.⁵ Provided Chinese Government do no more than this and allow existing administration to continue their functions without obstruction, the numerous British firms and individuals amongst lot-holders will have small ground for complaints. But I should be glad to be given discretionary powers to act in conjunction with my colleagues in advising Chinese Government to avoid all unnecessary dislocation of present administration. I beg for early expression of your views.

(Repeated to Tokyo by post.)

⁵ Ibid., pp. 765-6.

No. 115

Earl Curzon to Mr. Clive (Peking)

*No. 305 Telegraphic [F 2148/2086/10]**

FOREIGN OFFICE, *September 25, 1920, 6 p.m.*

Your telegram No. 391.¹

French Ambassador has addressed note to us to the effect that, although his Government cannot take charge of Russian interests in China, they are interested in the fate of the Russo-Asiatic Bank² and in protecting Legation property and concessions at Hankow and Tien-tsin from seizure.³

His Excellency points out international interest in keeping Legation and concessions in safe custody for a future Russian Government, and suggests that you should be instructed to collaborate with your colleagues with this object.

We suggest replying that the disposal of the concessions is a matter for the discretion of the Chinese Government, while Legation would appear to be protected by article 7 of the Final Protocol of 1901,⁴ but we should be glad of your observations.

If you see fit, you may point out to the Chinese Government that in the event of the concessions being taken over, British interests in them must be safeguarded, and China would be regarded as a trustee for a future recognised Russian Government.

You may at the same time convey to Chinese Government a private and friendly warning to the effect that their action may lead to trouble with Russia in the future, and that Bolshevik proposals would appear to be propaganda designed to stir up strife among foreign nations.

¹ No. 103.

² This bank had been formed in 1910 by the merging of the Russo-Chinese Bank and the Banque du Nord.

³ This note of Sept. 17 is not printed.

⁴ A reply in this sense was sent to M. Cambon on Oct. 11, informing him at the same time of H.M.G.'s instructions to Mr. Clive. For the Final Protocol of 1901, see No. 86, n. 3.

No. 116

Mr. Clive (Peking) to Earl Curzon (Received September 26, 3.45 p.m.)
No. 416 Telegraphic [F 2219/19/10]

PEKING, September 25, 1920, 8.10 p.m.

Your telegram No. 299¹ and my telegram 410².

Following is substance of telegram from His Majesty's consul, Harbin, begins:

Neither General Becwith [*sic*]³ nor I consider danger of Japanese seizure of Chinese Eastern Railway any longer greatly to be feared.

Recent reports show that there was a strong desire on the part of Japanese Military Authorities to seize railway early in September but moderate views of Japanese Government supported by Civilian Authorities on the spot prevailed and critical moment appears to have been safely passed. This does not mean any permanent abatement of fixed policy to secure railway eventually. Action of Japanese Government may have been dictated by fears that premature action by militarists would adversely affect their whole China policy.

Presence of Japanese in Chinese Eastern Railway zone in violation of Inter-Allied Agreement undoubtedly places Japan in a favourable position to act suddenly and decisively should occasion arise.

Presence of Japanese troops on line is not required for protection purposes. Chinese troops co-operating with Russians are fully capable of guarding line provided they are not hampered by being called to cope with unforeseen situations or insulted directly or indirectly by unwelcome presence of Foreign Powers.⁴

¹ Of Sept. 20, not printed. This had asked for observations on No. 104.

² Of Sept. 23, not printed.

³ Corrected in the Foreign Office to 'Beckett'.

⁴ The text received at Tokyo read: 'indirectly by unwarrantable presence of Japanese.'

No. 117

Mr. Clive (Peking) to Earl Curzon (Received December 1)
No. 663 [F 3009/152/10]

Confidential

PEKING, September 27, 1920

My Lord,

I have the honour to refer to Sir John Jordan's despatch No. 527 of November 26th, 1919,¹ and previous despatches reporting on the cancellation by the Chinese Government of the autonomy of Outer Mongolia, and the occupation of Urga by the Chinese military force under the command of

¹ Not printed; cf. Vol. VI, No. 596.

General Hsu Shu-cheng (subsequently appointed High Commissioner for Mongolia and the North-West).

Having recently learned through a reliable British subject that the situation in Mongolia was approaching a crisis as the result of the collapse of the Anhui military party, and their instrument, the 'North-West Frontier Defence Army', and that the Mongol leaders, on the grounds of their relations with Tibet and our connection with that country, desired to get into touch with this Legation in regard to their future course of action, I thought it advisable to despatch Mr. Teichman, at present acting as Second Secretary to His Majesty's Legation, to Urga with instructions to make discreet enquiries about the situation and report on the actual state of affairs.

I have now the honour to submit a copy of a most interesting and instructive report by Mr. Teichman, from which it will be seen that, though the Chinese position has been severely shaken, it is unlikely that the Mongols will be able to rise successfully at the present time, and that their best chance of regaining some measure of autonomy lies in peaceful negotiations with the Chinese.

I venture to draw Your Lordship's attention to Mr. Teichman's observations on the Mongolian situation in relation to Tibet, which are of special interest owing to Mr. Teichman's intimate knowledge of the Tibetan situation, and to his remarks on the question of British Consular representation at Urga. This last question is one which will have to be dealt with in the not distant future: but I am taking steps to ascertain the views of the British Chamber of Commerce in Tientsin before submitting definite recommendations on the subject. I am inclined to think however, that in view of the constant changes in the political situation in and around Mongolia at the present time the value of an energetic Consular Officer at Urga, quite apart from his commercial usefulness, would justify the expense at any rate of a temporary appointment.

Mr. Teichman's report should be read with reference to Sir Somerville Head's report on his visit to Urga last year, copy of which was forwarded in Sir John Jordan's despatch No. 226 of May 17th, 1919.²

(Copy to India and Tientsin.)

I have, &c.
R. H. CLIVE

² This despatch and enclosure are not printed. In the conclusion to his report Sir Somerville Head, at that time Second Secretary in H.M. Legation at Peking, had written that Mongolia was 'a land of possibilities well deserving the attention of British officials and business men'.

*Political**The Sino-Mongolian Situation*

Mongolia originally consisted of 'Inner' and 'Outer' (in Chinese *Nei Meng* and *Wai Meng*). Inner Mongolia has by now been largely absorbed in the Chinese Special Territories of Jehol, Chahar, and Suiyuan, on the Northern borders of Chihli and Shansi (compare the Frontier Territories in Eastern Tibet and in the Kokonor on the borders of Szechuan and Kansu), and the term Mongolia in this report refers to the former Outer Mongolia, which consists, roughly speaking, of the lands of the four Khalka Tribes and the Kobdo and Urianghai districts in the West. This region is, from the point of view of its physical characteristics, a part of Siberia rather than of China, from which it is separated by the Gobi Desert.

Mongolian autonomy, secured to the Mongols as the result of the Treaty arrangements made with Russia and China in 1912, 13, and 15,⁴ was formally cancelled by the Chinese in the autumn of 1919. Taking advantage of the Bolshevik scare, General Hsu Shu-cheng moved more and more of the troops of his North-West Frontier Defence Army (originally created for participation in the European War) up to Urga and Kiakta until he felt himself strong enough to bring off his *coup* and compel the Mongolian Authorities by military pressure to petition the Chinese Government for the abrogation of their autonomy. The administration in Urga was thereupon taken over by the Chinese Military Authorities, the Mongols being ejected from all its branches. Every Mongol, for instance, was expelled from the telegraph offices, which had been worked quite efficiently by Mongol clerks, and replaced by Chinese working under Chinese military control.

The alleged intrigues of Semenoff and his Buriats⁵ and the unsettled conditions prevailing in Bolshevik Russia at the time afforded some justification for the Chinese desire to strengthen their position on the Russo-Mongolian frontier, an object which could have been satisfactorily attained by assisting and co-operating with the Mongols. The Chinese, however, chose to repeat the mistakes they made in Mongolia and Tibet in 1910 and 11, when in pursuance of the 'recovery of sovereign rights' policy they attempted to browbeat the Mongols and Tibetans into submission by military force, with the immediate result that both Dominions took the first opportunity to break away from the new-born Chinese Republic: and their procedure in

³ The list of contents which preceded this report has been omitted, and the sketch map which was attached is not reproduced.

⁴ Printed respectively in *B.F.S.P.*, vol. 105, pp. 398-9; vol. 107, pp. 732-4; and vol. 110, pp. 810-14.

⁵ For earlier references in this volume to the Ataman Semenov, see Nos. 7, 17, 21, and 85. In 1917 he had been sent to raise a force among the Buriat Mongols of the Lake Baikal region.

overthrowing the Mongolian Government in the autumn of 1919 and the means they adopted towards that end were as impolitic in their own interests as they were objectionable from a Western point of view. The forged document, purporting to be a petition for the abrogation of their autonomy, which was extorted from the Mongolian Authorities by the Chinese by military pressure, can scarcely be equalled in the records of Chinese history for fraud, hypocrisy and sham: all the parties concerned in the transaction knew it was fraudulent from first to last: and yet the Chinese Government did not hesitate to issue a lengthy official explanation, for the benefit of the foreign public and as an apologia for their conduct in tearing up their Treaties on the subject, based on the premise that the renunciation of their autonomy was entirely a spontaneous and voluntary act on the part of the Mongols.

As regards Russia, apart from the Semenoff-Buriat intrigues, there never has been and is not now the least indication of Bolshevik aggression against Mongolia. Even had there been such a danger the military occupation of Urga was a futile means of combating the same in view of the defenceless state of China's immensely long Russian frontier stretching from Kashgar to Manchuria. As for propaganda, the idea of Mongolia, with its lamas and princes and superstitious Buddhist population of nomadic herdsmen, affording a field for the spread of the doctrines of Jewish Bolshevik agitators from Siberia is almost as absurd as that of the Dalai Lama and the Tibetans being affected by Bolshevik ideas. The unpaid Chinese soldiers in Urga and Kiakta are a much more fertile field for Bolshevik propaganda than the Mongols left to themselves can ever be. Indeed China and India can have no better buffers against Russian Bolshevism than the lamaistic populations of Mongolia and Tibet, provided they are trusted and treated as friends and not antagonised.

The present Chinese military *régime* in Urga, accompanied by the usual abuses associated with Chinese military rule and the presence of a horde of undisciplined armed coolies called soldiers, is bitterly resented by the Mongols, and equally so, it appears, by the local Chinese merchants, who long for the return of the former *régime* and complain that the arbitrary actions of the Chinese military has [*sic*] ruined their trade. Without the soldiers, a certain measure of Chinese assistance in and supervision over the administration of the country (as was the case under the Manchu Dynasty)⁶ would probably be acceptable to most of the Mongols and beneficial to all concerned.

From the time of his *coup* last autumn all went well with the ambitious schemes of General Hsu Shu-cheng in Mongolia until the political situation in China became acute some two months ago, when General Hsu and his staff suddenly left Urga in the middle of the night for Kalgan in a fleet of all the available motor cars. The outbreak of civil war in China followed, resulting in the complete collapse of the Anhui militarists and of their weapon, the North-West Frontier Defence Army, of which the Urga garrison

⁶ A footnote in the original is here omitted.

formed a part. The result of these events has been to remove the foundations on which the Chinese military administration at Urga rested, and to leave the Chinese officials and troops in Mongolia in the air. There are actually some 5,000 Chinese soldiers of the nominally defunct North-West Frontier Defence Army still in Mongolia, left stranded without pay or instructions, their Generalissimo a refugee in the Japanese Legation, and their existence for the time being ignored by the Chinese Government, who have officially cancelled their whole organization. They have so far financed themselves by the paper money of General Hsu's Frontier Bank,⁷ and they will be able to maintain themselves for some time on the local resources of the country. But unless eventually taken over by the Ministry of War, or properly evacuated and replaced by other troops, they must in the end melt away and disappear. Desertions have already begun.

Li Yuan, left in charge as Acting High Commissioner on General Hsu's departure, left for China a month or so ago with a faked deputation of Mongol dignitaries to petition the President for General Hsu's reinstatement as Governor of the North West: by the time he reached China, however, the Anhui party had definitely fallen, and he was arrested and detained by General Wang at Kalgan. A Brigadier-General named Chu Chi-hsiang, who now calls himself Commander of the 25th Mixed Brigade of the Regular Army, is at present in charge. He received me in a very friendly way, and the whole attitude of the Chinese troops here, formerly insufferably arrogant towards the Mongols and Russians, and even towards other foreigners, has undergone a change for the better.

The Urga Mongols have of course followed events in China closely and are much excited and elated over the present situation. They are divided in counsel as to what course to pursue, one party desiring to expel the Chinese by violent means, and the other advocating the attempt to do so by means of negotiations with the Peking Government for a restoration of their autonomy. From what passed in the course of my conversations with the Mongolian Princes, as related below, I think it very improbable that there will be any outbreak, at any rate in the immediate future. As a matter of fact it is doubtful whether the Mongols of the Urga neighbourhood (and no immediate unity of action is to be expected amongst the various principalities and tribes of this immense region) could deal successfully with the Chinese troops still in Mongolia, amounting to about 1,000 in Urga and a reserve of a further 4,000 within call at Kiakta and in scattered garrisons not far off. Later on, if no support is received from China in the interval, the Chinese troops will doubtless begin to melt away, and the situation will then be greatly altered to the advantage of the Mongols. The changes involved in the so-called restoration of Mongolian autonomy would be easily effected, since the resumption of Chinese control over Mongolia has in practice been limited to the control of Urga and the Kalgan-Urga-Kiakta road. It is true that Urga is the political and commercial centre of Mongolia, and that by holding it the Chinese control all that there is of a Central Government in the country.

⁷ A footnote in the original is here omitted.

But no great changes have apparently yet been effected at the other two centres, Uliassutai and Kobdo, while the nomad inhabitants of the vast areas of mountain, forest, desert and steppe, which go to make up Mongolia, have so far for the most part been left undisturbed under the rule of their chiefs and princes. Even under the former *régime* the Bogdo Khan and the Urga Government had but little control over the country West of Kobdo.

It had been my intention, in order to avoid rousing Chinese suspicions, to abstain as far as possible from direct intercourse with the Bogdo Khan and the Mongol princes and dignitaries, but soon after my arrival I received an intimation that the latter were anxious to meet me. After several visits from a minor dignitary an interview with three of the most influential Princes was arranged, and took place on the premises of an American firm, where rich Mongols are in the habit of repairing to inspect and purchase foreign goods. After some preliminary conversation it became apparent that the Mongols were seeking British advice in view of their close relations with Tibet and the fact, apparently well known to them, that we were interested in supporting Tibetan autonomy. It must also be borne in mind in this connection that the present Pope, the head of the lama church in Mongolia and formerly Ruler of the country, the Jebtsum Damba Hutuktu (called the Bogdo Khan, or Holy Prince by the Mongols), is a Tibetan priest appointed by the Dalai Lama.

The Princes gave an account of recent events in Mongolia up to the present moment when another turning point in the history of their country appeared possibly imminent, explaining the fraudulent means whereby the Chinese had made it appear that their autonomy had been voluntarily renounced. Now that Russia had collapsed, they were left face to face with China, the modern Government of which they intensely disliked and mistrusted, and they could only look to America and Great Britain (with special reference as far as we were concerned to the parallel case of Tibet) to assist them in regaining their autonomous rights. What, they asked, was our advice as to the course they should pursue? A large party amongst them were, they said, in favour of expelling the Chinese by violent means.

After explaining to them that my visit to Urga was in the nature of a holiday trip, and that I was speaking privately and without authority, I informed them that our interests in Mongolia were purely commercial, and that they could expect no support from us in recovering their autonomy, however much we might sympathise with their legitimate desire to be left alone to manage their own affairs. When they reverted again to the case of Tibet, I explained the difference in our position and interests in the two countries, and how we had Treaty relations of long standing with Tibet and identical interests arising out of geographical propinquity and our long common frontier line.

The Princes then came to the point, namely their desire to address letters to the British and American Governments appealing for their support and assistance, and enquired whether I thought it advisable for them to do so. In view of the fact that the autonomous status of Mongolia had been

established under Treaty, and that neither the British nor American Governments had, so far as I was aware, ever taken any official cognisance of its cancellation by the Chinese, I replied that, while I supposed they were free to do so, I felt sure that such action at the present stage would serve no useful purpose whatsoever, and explained the not unnatural dislike of the Chinese to what they regarded as foreign interference in their internal affairs.

The Princes were evidently dissatisfied with this and pressed again for my advice as to what course they should pursue, reminding me once more of their close relations and common interests with Tibet. (While lamas are of course constantly coming and going between Urga and Lhasa, I doubt nevertheless whether the Bogdo Khan and the Dalai Lama are in close relations with one another.)

Finding that they were insistent on my giving them some kind of advice, I finally volunteered the suggestion that the Mongols should take the present opportunity to attempt to negotiate directly with the Chinese for a peaceful restoration of their autonomy, which might perhaps be obtainable in a modified form in view of the steps already taken by Chinese to reorganise their position in Mongolia,⁸ and the appointment of Chen Yi, their representative at Urga during the autonomous *régime*, to be the new Amban⁹ in place of Hsu Shu-cheng. If they petitioned the President in the matter they should, I said, lay stress on the fact that they did not desire any kind of separation from China, but only autonomy in their internal affairs as an equal partner in the Chinese Commonwealth, and one of the various Races which the Chinese Constitution professed to regard as equal constituent parts of the Republic. If the Chinese Government were unwilling to revert to the status established under the Russian Treaty (when Chen Yi was 'Consul-General', obviously too artificial and unnatural an arrangement), they should be content with less, say the position as it was under the Manchus, conceding the Chinese the supervision, in name at any rate, over their foreign relations. At the same time they should show their readiness to welcome and encourage Chinese trade and enterprise in their country, and generally make it plain that they were not in any way hostile to the Chinese, but only to Chinese military interference in their affairs. Above all, I said, I could not too strongly dissuade them from resorting to force in the hope that support might be forthcoming from outside sources, more especially at a time when the Chinese might quite possibly be ready to meet them in some way in negotiation.

The Princes admitted that the reappointment of Chen Yi, who as was well known had been opposed to General Hsu's policy, was a hopeful sign, but complained that there were great difficulties in the way of negotiating directly with the Chinese without the intervention of a third party, as no communication addressed by them to the President through Chinese channels

⁸ *Note in original*: 'By Presidential Mandate of the 15th August orders were given for the reorganisation of the status of Mongolia, and all kinds of high-sounding platitudes enunciated regarding trust and goodwill between the Chinese Government and the princes and lamas of Mongolia.'

⁹ i.e. representative of Peking.

would ever reach its destination. Again they reverted to their proposal to send letters to the British and American Legations invoking their support.¹⁰ I replied that I did not think such a course would do them the least good, at any rate unless they addressed the President at the same time in a similar sense. In conclusion I suggested that they should in any case await the return of the Mongol dignitaries now in Peking before taking any action, since the latter might conceivably, now that Hsu Shu-cheng had fallen, be in a position to communicate their real feelings openly to the Chinese Government and discuss some method of settlement in Peking.

The Princes eventually left, apparently fairly satisfied with the interview, saying that they would report what I had told them to the Bogdo Khan. Before going away they made a further appeal for a British Consul to be appointed to Urga (see under 'Commercial').¹¹

A few days later the Tsetsen Wang, the Prince in closest relations with the Bogdo Khan, paid me a visit to present ceremonial scarves and two skins as a greeting to His Majesty's Minister from his Holiness, and informed me that they had decided to await the return of the Mongol mission from Peking before doing anything. (This mission had been sent to Peking before General Hsu's fall to present tribute &c. to the President, the whole thing having been arranged by the Chinese.)

I was much impressed throughout the interview by the similarity of the language held by these Mongol Princes when talking of the Chinese to that used by the high Tibetan officials whom I have met in Eastern Tibet when conversing on the same subject. Again and again they referred to the unreliability of the present republican Chinese Government and of the worthlessness of the promises and assurances of modern Chinese officials. The latter were always ready to promise anything with fair words, only to go back on their assurances as soon as they were in a position to do so.

The Mongolian Question in relation to Tibet

The Mongolian and Tibetan questions have throughout proceeded very much on parallel lines, from the time when China set to work in 1909-10-11 to establish direct Chinese control in Mongolia and Tibet by military force, with the result that both Dependencies took the first opportunity, that of the Chinese Revolution of 1911, to expel the Chinese and sever their connection with the Chinese Government. History repeats itself, and there is a close resemblance between Hsu Shu-cheng's raid into Mongolia in 1919 and Chao Erh-feng's raid on Tibet in 1910. In both cases all kinds of worthless assurances were given and specious excuses put forward by the Chinese in connection with the entry of Chinese troops into the two countries. In the case

¹⁰ *Note in original*: 'I have since discovered confidentially from the American Legation that the Mongols have already addressed a letter to the American Government appealing for their support. It will be remembered that the Urga Government addressed a communication to His Majesty's Government in April 1914 requesting regular relations with Great Britain (see Sir John Jordan's despatch No. 223 of the 5th June, 1914).'

¹¹ i.e. p. 140 below.

of Tibet in 1910 the pretext given was the necessity of policing the Trade Marts: in the case of Mongolia in 1919, the alleged aggressive designs of the Bolsheviks. In both instances the results were identical, the overthrow of the Tibetan and Mongolian Governments, the taking over of all branches of the administration by the Chinese, and complete domination by the Chinese military.¹² The recent events at Urga, including the indignities suffered by his Holiness the Bogdo Khan himself at the hands of Chinese soldiers, are by now probably known in Lhasa, and, while perhaps shaking the confidence of the faint-hearted, should tend to stiffen the determination of the dominant anti-Chinese party amongst the Tibetans not to be again cajoled into submitting once more to Chinese rule.

The actions of the Chinese under Hsu Shu-cheng in Mongolia in 1919-20 thus stand as a warning to the Tibetans (and to us, insofar as we are concerned with the autonomy of Tibet) of what will happen if the Chinese are permitted to regain any measure of military control at Lhasa. Whatever assurances may be given to us, and whatever platitudes about equal treatment for the Five Races of the Republic may be enunciated by the President in Peking for the benefit of the Tibetans, it is certain that once a few thousand Chinese troops are back in Lhasa, all vestiges of Tibetan autonomy will be swept away, probably on the same fraudulent pretext as was put forward in the case of the Mongols, that the Tibetans themselves desired to return to the Chinese fold.

The only effective way to safeguard ourselves and the Tibetans from such a disastrous development of the situation is, it is submitted, to be found in permitting the Tibetans so to strengthen themselves by the development of the resources of their country with the assistance of British India that they may be in a position to keep even a united and comparatively strong China permanently at arm's length. A tripartite Treaty alone is not a sufficient safeguard for a weak and sterilized Tibet against Chinese aggression, for the Chinese will always be on the look out for an opportunity for setting the Treaty aside and coercing the Tibetans into professing to request its abrogation.

There are, however, certain aspects in which the positions of Tibet and Mongolia greatly differ. Firstly, the Tibetans are nowadays a much more virile and efficient people than the Mongols, more intelligent, probably more numerous, and with much more unity and cohesion. Secondly, the Tibetans have a great advantage in connection with their geographical position. Both Outer Mongolia and Central Tibet turn their backs on China, from which they are separated by long desert trails, and look out on to Siberia and India, of which they are properly speaking the respective hinterlands: but there is no comparison between the journey from Kalgan to Urga and that from Tachienlu to Lhasa. The former is across a plain, which can be covered in a month by a soldier on foot and in four or five days by a motor car, besides being eminently suited for railway construction and aeroplane routes:

¹² *Note in original: 'See "Tibet Blue Book" of 1910, i.e. Cd. 5240 of 1910, Further Papers relating to Tibet.'*

the latter takes twice as long, and traverses the most difficult mountain country in the World, where East to West railway construction is probably for ever out of the question. Moreover Kalgan, the Chinese base for operations against Mongolia, is connected by rail with Peking, from which it is in any case distant only a few days march by cart: Tachienlu, the gateway from China to Tibet, on the other hand, is separated from Chengtu by twelve days of difficult mountain trail. Lastly, Chengtu is not Peking, and the Szechuanese are vastly inferior to the northern Chinese troops in physique, training and equipment.

While, therefore, the Mongols must always remain largely at the mercy of the Chinese, unless assisted by Russian or other outside support in the maintenance of their autonomy, the Tibetans are quite capable of standing on their own legs, provided only they are allowed to develop and strengthen themselves by free intercourse with the Outer World (in their case British India), instead of being kept in a permanently backward and undeveloped state by the closing of their country to foreign enterprise. Urga resembles a Siberian trading village rather than a Mongol town (though the Russians are about the worst traders in Asia): and it is interesting to speculate on what would have been the situation in Tibet today had we treated the country since 1912 in the same open way in which the Russians behaved towards Mongolia. It seems fairly certain that our relations with the Tibetans, coupled with the development of Tibet as an autonomous State, would by now have been such that the Tibetan question would have settled itself, whether the Chinese had formally come to terms or not.

It is to be hoped that the Mongols will succeed in recovering some measure of autonomy, since the successful cancellation of the same by the Chinese last year was undoubtedly the chief reason for the 11th hour failure of the Tibetan negotiations of 1919.¹³ Complete autonomy amounting to independence (as enjoyed in practice by the Tibetans since 1912 and desired by a large section of the Mongols) is now in all probability, in view of the collapse of Russia, quite unattainable by the Mongols: and indeed if obtained might possibly place them in some danger of falling unduly under Japanese influence, unless British and American merchants and officials were active in the country. The Chinese always profess to regard Tibet and Mongolia as identical propositions—hence their inability to come to terms with us over Tibet last year after cancelling Mongolian autonomy. But it is possible for a settlement to be reached by the Chinese in the case of Mongolia which might to a certain extent form a precedent for a satisfactory settlement of the Tibetan question with us (the latter problem being largely a matter of how to save Chinese face). Such a settlement would be for both Tibetans and Mongols to claim merely equal rights of autonomy with the Chinese as partners in the Chinese Commonwealth after the fashion of the British Empire and its constituent self-governing Dominions. The arrangements might in both cases be outwardly similar: the Mongols, however, would in practice have to accept less, and put up with a certain measure of Chinese

¹³ For these negotiations, see Vol. VI, Chap. II.

interference in their affairs: while the Tibetans, enjoying our support and benefiting by the advantages above referred to, would be in a position to obtain in practice more, including the control of their foreign relations, though the latter might in name be vaguely under the influence of the Chinese Resident. Under such conditions, if Russia failed to revive, Mongolia might drift gradually and not unwillingly into closer relations with China, to the advantage of all concerned:¹⁴ the Tibetans, on the other hand, provided we agree to permit them to develop their country with the assistance of foreign enterprise from India, and treat them as ordinary friendly neighbours instead of sterilizing them as unwilling hermits, would assuredly, owing to their geographical position and natural connection with India, drift permanently and definitely away from China towards us.

The question of British Consular representation in Mongolia, dealt with in the final section of this report, has some bearing on the Tibetan question, inasmuch as, if we send a Consul to Urga, we might find it somewhat embarrassing to continue to block the entry of American and other foreign Consuls into Tibet. The solution to this difficulty lies again in the throwing open of Tibet and trusting to the overwhelming advantages of our geographical position to maintain an overwhelmingly preponderating influence in the country. In any case the Americans are forcing our hand in the case of Consular representation in Mongolia. There should be no question of foreign Consular Guards in Mongolia, so that no awkward precedent would be created in this respect for Tibet.

The Position of the Russians in Mongolia

The Mongols seceded from the newly created Chinese Republic after the revolution of 1911 without the instigation of the Russian Government, which at first showed no great enthusiasm for the idea of an independent Mongolia. The attitude of Russia towards Mongolia, like ours towards Tibet, was at first at any rate guided by defensive rather than imperialistic aims and a reluctance to incur new and unknown responsibilities. Indeed the Chinese were as much to blame as the Russians for the events which followed the secession of the Mongols in December 1911, their ambitious military schemes in Mongolia in 1910 and 11 having aroused real (though possibly unfounded) fears on the part of the Russians of Chinese aggression along the lengthy Sino-Russian frontier line (just as occurred in our case at the same time in Yunnan and Tibet). Once Mongolia had seceded from China, however, the Russians took full advantage of the situation with a view to eliminating for good and all further dangers of Chinese aggression on her Siberian frontiers. Adopting the attitude that she could not afford to ignore the *de facto* Government of independent Mongolia, Russia offered her mediation to China to restore the latter's friendly relations with Mongolia (just as we did in the case

¹⁴ *Note in original*: 'Mongolian fiscal autonomy is, in theory, against British commercial interests. If Mongolia be considered part of China, British goods should be able to reach Urga on payment of 7½% *ad valorem* duties (5% import and 2½% transit dues in accordance with Treaty). Autonomous Mongolia levies a further 5% import duty of their own.'

of Tibet). China proving dilatory in accepting the offer, Russia took independent action with the Mongols and concluded the Urga Convention of 1912. The Sino-Russian and Sino-Russian-Mongolian arrangements of 1913 and 1915 followed. Russia was more successful in dealing with the Mongolian situation than we were in dealing with the Tibetan question because she did not hesitate to take independent action with the Mongols when China procrastinated, because she did not trouble unduly about the exact frontier lines of the new Mongolian State (which was described as the territories formerly under the jurisdiction of the Chinese Ambans), and because due regard was paid to Chinese face. With the Russian revolution and the collapse of Russian power, however, all these arrangements fell to the ground.

The condition of the Russians, of whom there are now some 1,500 to 2,000, largely refugees from Bolshevik Siberia, in Urga, is at present deplorable. Apart from a few respectable merchants, who continue, by means of their foreign connections or otherwise, to do business and keep their heads above water, most of these Russians are destitute and reduced to doing menial work for Chinese and Mongols, while their womenfolk serve as concubines for Chinese officers. The Chinese Military Authorities have for all practical purposes abolished their extraterritorial rights and treat them as, but rather worse than, Chinese citizens, arresting, imprisoning and beating them (often with good reason it must be admitted) without reference to any Russian authority, and taking a delight in asserting as much as possible their newly acquired rights of jurisdiction over the white man. But so deplorable are the economic conditions in Siberia that refugees continue to arrive. Ex-prisoners of war from Siberia, Germans, Austrians and Hungarians are of course in the same position as the Russians. The effect of this state of affairs on the position of other foreign residents (British, American, and Scandinavians) is naturally most unfortunate, and is one of the reasons why they stand in such urgent need of Consular assistance and protection (see final section of this report).

The Russian diplomatic agent of the old *régime*, Monsieur Orloff, still resides in Urga, though his position is an impossible one, his presence ignored by the Chinese Authorities and by most of the Russian community. He is now about to abandon his post and seek refuge abroad: but, his staff beginning to show Bolshevik sympathies, he is having great difficulty in finding anyone to whom to hand over charge of his post.

Speaking on the subject of the Mongols, M. Orloff dilated on the inefficiency of the Mongol *régime*, and the rapacity and incapacity of the Mongol officials, and professed to hold that they were incapable of standing on their own legs, and must, with the collapse of Russia, inevitably fall and remain under complete Chinese control. Perhaps the grapes were sour; for other well informed foreigners hold a contrary view.

The Russians in Urga are largely Red (even though for the most part refugees from the intolerable economic conditions in Siberia), the leader of the local Bolsheviks and representative of the Verkny-Udinsk 'Far Eastern

Republic' being one Chaivanoff, who has succeeded in creating quite a position for himself *vis-à-vis* the local Chinese military authorities. General Chu, the Chinese military official now in charge at Urga, informed me that his Administration recognised Chaivanoff as a 'commercial delegate'.

Just before our arrival in Urga a special Bolshevik mission, representing the Verkny-Udinsk Government, reached Urga from Siberia bound for Peking and were permitted after some negotiation with the local Chinese military authorities to proceed to China. We met them in the desert, a part[y] of four Russians and one Chinese, under the leadership of M. Yurin, travelling in a large Russian military motor car.¹⁵

The largest Russian business being done in Urga at present appears to be that transacted by the local agency of the 'Zentrosoyuz' (Co-operative Society), which is, I understand, a trading organization of a semi-official Bolshevik character.

Commercial

Trade Prospects in Mongolia

Outer Mongolia is practically a virgin field as far as British commercial enterprise is concerned, though this vast area is of course immensely rich in wool, hides, skins and kindred produce. As far as the export trade is concerned, it is a question of whether or not it is worth the British merchant's while to abandon the methods which he has hitherto followed of waiting in the Treaty port on the coast of China for the produce to be brought down to him by the Chinese middleman, and go himself or send his foreign agents into the country to purchase the goods more or less directly from the Mongol producer. Moreover, as regards wool, the British export firms in Tientsin have always shown a certain indifference to Mongolian wool as compared to that from the Kansu-Kokonor border, which is apparently superior in quality to the Mongolian product, and in which an enormous export trade has been built up in Tientsin.

Apart from the regular Mongolian export trade in wool and hides, the collection of furs for export to China, both those of Mongolian origin (mostly marmots) and the more valuable pelts from Siberia, is one of the principal businesses in Urga at present. It remains to be seen whether this is a temporary trade due to the closing of Siberia and its railway communications, or whether it will continue after the restoration of normal conditions in Russia. Before the War comparatively few Siberian furs reached Urga, while the local Mongolian skins were exported to Siberia rather than to China. For the moment, however, Urga is an important fur trading centre.

As regards the import trade, there is at present a great demand for all kinds of foreign imported goods at Urga on Russian account, the Kalgan-Urga-Kiakta route having been for two years or more the only means of communica-

¹⁵ *Note in original*: 'One result of the visit of this Soviet Mission to Peking has been the decision of the Chinese Government to cease to recognise the Russian Legation and Russian Consulates in China.' Cf. No. 114, n. 1.

tion between Central Siberia and the rest of the World, and the stocks of foreign imported goods brought up to Urga from China by Chinese and foreign merchants by caravan across the desert are sold almost as soon as they arrive. Here again it remains to be seen whether with the restoration of more or less normal conditions in Russia and the reopening of the Siberian railway, Urga and Outer Mongolia will not once more relapse into what they were before, namely, the hinterland of Central Siberia. The construction of the Kalgan-Urga-Kiakta railway would, of course, settle the matter for good and all in favour of Urga, which would then become a trade mart of the first importance both for the collection of the produce of Outer Mongolia and for the import (and export) trade of Siberia. *Inter alia*, a large trade in frozen meat for export abroad would probably arise, Mongolia being immensely rich in sheep and cattle, which have for a generation past been exported in large quantities to Siberia.

Apart from the trade on Russian account above referred to, it seems improbable that the import trade of Outer Mongolia for the Mongols will ever amount to very much, more especially when compared with that of China with its vast population, though the wants of the increasing Chinese and foreign population of Urga, Uliasutai, and Kobdo must be taken into account. As far as the Mongols are concerned the country, apart from the above centres, appears very sparsely peopled, indeed I should say the population is even scantier than that of Eastern Tibet: during the journey of 600 miles or so from the Chinese settled districts of the Chahar Territory (Inner Mongolia) to Urga, not a single house and very few Mongol encampments are passed on the road. Moreover the ordinary Mongol inhabitants seem even more backward in civilisation than the Tibetans of Eastern Tibet (who are barbarians compared to the inhabitants of Central Tibet), and therefore without foreign wants or purchasing power. Another drawback for the import trade is the absence of any form of currency, trade having to be carried on largely by barter (in Tibet Chinese and Indian rupees and Tibetan silver *trangka* are everywhere current). The one indispensable commodity the Mongols require is Chinese brick tea, but this trade is of course entirely in the hands of the Chinese. In Urga itself there is some demand for foreign luxuries amongst the Mongolian dignitaries, Princes and high lamas, including motor cars. The Bogdo Khan himself has two large American motor cars and a Delco electric lighting plant (sold to him by an American firm and looked after by a Russian engineer in his employ). But this demand is largely limited to Urga itself, and is probably not so great as the scarcity of supply of foreign goods would make it appear to be.

Taking everything into account, there are doubtless great opportunities in Mongolia for enterprising British firms capable of building up organisations for exporting Mongolian produce by direct dealing with the Mongols, provided they have the necessary connections abroad (like the Tientsin wool exporters), and provided the foreign demand for such produce is sufficiently great (which at the moment of writing does not appear to be the case). Wool, skin and fur experts would be necessary: capable Russian fur

experts are doubtless available locally. The future of the import trade depends, in my opinion, on the extent to which the Kalgan-Urga route will in future be able to compete with the Siberian railway in supplying the wants of Central Siberia. . . .¹⁶

British Consular Representation in Outer Mongolia

(References: Sir John Jordan's despatches to the Foreign Office Nos. 169 and 223 of the 27th April and the 5th June, 1914,¹⁷ and No. 226 of the 17th May, 1919.)¹⁸

The Mongol Authorities have on several occasions in the past pressed for British and American Consular representation at Urga, and the matter was again brought up by them during my present visit. While they profess to desire the presence of British and American Consuls with a view to the development of their export trade and mineral and other resources with the assistance of foreigners (and it must be admitted that throughout their autonomous *régime* and at present they have shown themselves and are still very friendly towards foreign enterprise), their real motive was of course a political one, namely to obtain foreign recognition of their independent status, while even now they hope and believe that the presence of British and American officials and merchants in their country will protect them in some way against Chinese oppression, and to a lesser extent against Russian and Japanese domination (and they appear fully alive to the latter).¹⁹ At present of course, the question of whether or not foreign Consuls are sent to Urga has in theory nothing to do with the Mongols, as the Chinese have nominally at any rate taken over the entire administration. But it seems fairly certain that, whether the Mongols recover in full their autonomy or not, they will in the end regain a large measure of internal control.

The American Government, partly it would appear in response to the repeated invitations of the Mongols, and partly as a result of the representations of the American merchants concerned in the Mongolian trade, have at last decided to appoint a Consul for Mongolia. The nominee for the post, Mr. Jamieson, has been delayed in the States, and also by Chinese representations, and will take up his duties probably next spring. He is to reside nominally at Kalgan, but is to pass a considerable part of the year at Urga, his Consular District as laid down by the State Department, covering the whole of Inner and Outer Mongolia, as well as certain districts, such as Kalgan, on the borders of Chihli. The U.S. Legation wrote to the Chinese Government this summer informing them that Mr. Jamieson had been appointed Consul at Kalgan, but making no mention of Urga (though it was their intention that he should reside partly there). The Chinese Government replied raising no objections in principle, but suggesting that as the arrangements for the

¹⁶ The sections following, which relate to foreign firms established in Outer Mongolia, taxation and transit passes, mining, motor transport, and the Urga wireless station are here omitted.

¹⁷ Not printed.

¹⁸ See n. 2 above.

¹⁹ A footnote in the original is here omitted.

opening of the port²⁰ and the stationing of a Foreign Affairs Delegate there had not yet been completed, it would be as well for Mr. Jamieson to delay taking up his post for the time being to avoid inconvenience in the carrying on of business. The American Legation consider it improbable that the Chinese will raise any great objections to their Consul residing at Urga, inasmuch as, in answer to a request for a list of ports open to foreign trade, the Wai-chiao Pu wrote to the Legation in December 1916 forwarding a list which included 'Kiakta, 1727; Urga, 1860; All the Tribes of Mongolia, 1862'. Moreover they privately suggested to the American Legation this year the advisability of sending an American Consul to Urga (their object being to obtain recognition for their cancellation of Mongolian autonomy).²¹

The arguments for and against British Consular representation in Outer Mongolia may be summed up as follows:

Against:

1. There is not at present, so far as I know, a single genuine British firm established and doing direct business in Outer Mongolia, and if British import and export merchants interested in the trade of the country continue to be content to remain in the Treaty Ports of China and work through Chinese middlemen or (as in the case of the British and American Tobacco Company and Asiatic Petroleum Company) through American agents, there would not appear to be any immediate prospect of any British firm opening up in Mongolia.
2. With the return of normal conditions in Russia and the reopening of the Siberian railway, and failing the construction in the near future of the Kalgan-Urga line, Urga and Outer Mongolia may possibly lose much of their present importance, and become again what they were in the past, the hinterland of Central Siberia.

For:

1. It seems unfortunate that this vast country, with its great possibilities in the way of export trade in prairie produce and rich mineral resources, should be entirely without British Consular representation. The presence of a British Consul at Urga would probably encourage British firms to engage more directly in the Mongolian trade, while his absence must have a contrary effect. Indeed under the present peculiar conditions in Outer Mongolia resulting from the collapse of the Russians, I should, if I were a British merchant, certainly not go to Urga to trade unless assured of the protection and assistance of a resident British Consul.

²⁰ *Note in original:* 'Kalgan was opened to foreign trade by Presidential Mandate in January 1914, together with various other towns in Chihli and Shantung.'

²¹ *Note in original:* 'The official American attitude towards Mongolia appears at present to be that it is best for the Mongols to come under Chinese control as a check against Semenoff and his Buriats and more especially the Japanese: though they deprecate the present Chinese military régime and favour China controlling Mongolia through and in cooperation with Mongol officials as in the days of the Ta Ching régime.'

2. With reference to the desire of the Mongols themselves for the presence of a British Consul and of British merchants, it seems a pity, with the Mongols in their present frame of mind, when they are prepared to grant, as far as may lie in their power, all kinds of trading facilities to foreign merchants, that we should leave the field entirely to the Americans, who are getting a considerable hold on the trade of the country, and now consider it worth their while to send a Consul to look after American interests. For some reason or other the Mongols have a very high opinion of the British, with whom they can scarcely yet be said to have come into contact (due, perhaps, partly to our connection with Tibet), and the British merchant would therefore start with something in his favour.
3. With the construction of the trans-Gobi Railway, Urga would at once become a trade mart of considerable importance, both as regards Outer Mongolia and Central Siberia, and it would be much to our advantage to have already obtained a footing in the country beforehand.
4. Politically it is of importance that the situation in Outer Mongolia should be watched by someone on the spot, with special reference to the schemes of the Japanese in that direction.

It would therefore seem that Mongolia is perhaps a case where the Consul might well precede the merchant, as happened in the case of Szechuan and the Consular posts of Chungking and Chengtu. The Consul should have offices at both Kalgan and Urga, and his principal duties for the first few years would be to travel round the country and report on its resources and trade openings, as was done in Szechuan in the eighties and nineties, as well as to afford the requisite protection and assistance to any British firms which might open at Urga. This assistance is at present very necessary, and the foreign (non-Russian) population at Urga, the few Americans, Scandinavians and Englishmen above referred to, are clamorous for Consular protection against the Chinese military authorities, who, having abolished the Treaty rights and privileges of Russians, tend all the time to apply similar treatment to other foreigners.

It might be possible to ascertain confidentially from the British Chamber of Commerce at Tientsin the views of the British commercial community at that port on the subject of Consular representation in Mongolia. At first, at any rate, it might perhaps be feasible for a Consul appointed to Mongolia to pay some attention also to the affairs of the Kansu wool trade. . . .²²

It has been suggested in previous correspondence on the subject that in establishing a British Consulate at Urga the precedent of Kashgar or Tachienlu might advantageously be followed, *i.e.*, to send the officer there and gradually obtain Chinese official recognition of his presence and status later on. From my experience of the difficulties of the Consular Officer at the latter post arising out of his irregular position, I cannot too strongly urge

²² A paragraph relating to a suitable site for a Consulate is here omitted.

that the Consul's position at Urga should if possible be regularised from the start. It should not be difficult to obtain from the Chinese Government confirmation of the opening of Urga to foreign trade, since such action would be in their own interests (compare the case of the opening of Kalgan and the other trade marts in January 1914, which was done with a political object). Such a course would go far to solve any difficulties which might otherwise arise in regard to the acquisition of land by British merchants. In the first instance it would probably be wise to appoint a junior Consular Officer as acting consul, and to await developments before making a regular substantive appointment.²³

ERIC TEICHMAN

²³ In his despatch No. 35 of Jan. 12, 1921 (not printed) Lord Curzon requested Sir B. Alston to convey to Mr. Teichman an expression of his 'thanks for his interesting and valuable report'. He added that, before taking any decision on the subject of British consular representation in Outer Mongolia, he would be glad to receive definite recommendations from Sir B. Alston and to learn the views of the British Chamber of Commerce at Tientsin. Sir B. Alston does not appear to have made any recommendation until Oct. 21, 1921, when, in his despatch No. 611 (not printed), he endorsed the opinion of the Assistant Chinese Secretary of H.M. Legation that 'under present conditions' the stationing of a consular officer at Urga was inadvisable.

No. 118

Mr. Clive (Peking) to Earl Curzon (Received September 30, 9.10 a.m.)

No. 420 Telegraphic [F 2264/2/10]

PEKING, *September 28, 1920, 5.20 p.m.*

My telegram No. 376.¹ Consortium.

Joint Note was sent to Chinese Government to-day in form outlined in my telegram No. 340² except that in place relating to Japan following paragraph was substituted.

A collection of documents which have passed between Governments interested in Consortium as well as certain letters exchanged between American and Japanese Group representatives copies of which are here-

¹ Of Aug. 26, not printed.

² See No. 82, n. 5. It contained the following paragraphs relating to Japan:

'In the course of negotiation following on United States Government proposals Japanese Government drew attention of Governments concerned to special position in which former found themselves owing to Japan's geographical propinquity to China.

'Having specially in view fact that the two countries shared a common frontier along northern boundary of Corea, Japanese Government pointed out activities of new consortium could not fail to have an important bearing on question affecting national defence and economic existence of Japan.

'Other Powers concerned informed Japanese Government in reply that there was no occasion to apprehend on the part of consortiums any activities directed against economic existence or national defence of Japan.

'Letters exchanged between Lamont and Japanese groups, copies of which are already . . . [the text is here uncertain] possible to define position.'

with enclosed in accordance with attached list will enable Chinese Government to follow course of negotiations and understand whole position. (Paragraph ends.)

While Chinese Government are free to publish note it was generally agreed that without consent of Governments concerned we could not authorise publication of documents enclosed and an additional note was sent to Chinese Government pointing this out.

Since date of my telegram above-mentioned United States Minister stated that his Government wished all special reference to Japanese position (? omitt)ed whereupon Japanese Minister proposed that documents should be sent with [simple]³ covering letter to which United States Minister had no objection. I continued however to urge advisability of fuller statement in form which Chinese Government could publish, and (? note) in its present form was subsequently agreed to.

Copy by post with list of 19 documents enclosed.⁴

³ This additional word was in the text as received at Tokyo.

⁴ For the text of the joint note and of three of the documents enclosed as well as a list of 18 other documents, see Cmd. 1214 of 1921, No. 38; cf. *F.R.U.S. 1920*, vol. i, pp. 571-4.

CHAPTER III

General Correspondence, &c. September 30, 1920–May 10, 1921

No. 119

Sir C. Eliot (Tokyo) to Earl Curzon (Received October 2, 3.40 p.m.)

No. 369 Telegraphic [F 2291/56/23]

TOKYO, September 30, 1920, 4 p.m.

Your telegram No. 311.¹

I had an audience with Minister for Foreign Affairs last night and spoke as instructed in strongest terms. I have in consequence² sent him a note.

He appeared to (? appreciate gravity) of the position and to be anxious to do all in his power but he said he was awaiting result of steps reported in my telegram of August 14th.³

¹ No. 113.

² The text as sent read: 'I have also'.

³ In the Foreign Office it was correctly suggested that this date should be Sept. 21, i.e. that the telegram referred to was Tokyo telegram No. 360; cf. No. 113, n. 2.

No. 120

Earl Curzon to Sir A. Geddes (Washington)

No. 766 Telegraphic [F 2219/19/10]

FOREIGN OFFICE, September 30, 1920, 5 p.m.

Your telegram No. 637,¹ and my telegram No. 754.²

Peking No. 416,³ and Tokio No. 365.⁴

In view of the circumstances as described in the above telegrams, you should inform the State Department that in our opinion there appears to be no longer any necessity for joint representations.

¹ No. 104.

² Of Sept. 20, not printed.

³ No. 116.

⁴ No. 111.

No. 121

Mr. Paton¹ (Vladivostok) to Earl Curzon (Received October 3, 4.40 p.m.)
No. 100 Telegraphic [F 2295/19/10]

VLADIVOSTOK, October 1, 1920, 12.15 p.m.

Your telegram No. 303 to Peking.²

Inter-allied Committee have always understood from declarations of French representative and others that French Government had assumed responsibility for debts of countries mentioned.³ Total debts to Chinese Eastern and Siberian Railways at beginning of August were approximately, in gold dollars, French 342,000; Czech 4,500,000; Serbs, Roumanians, Letts and Poles 464,000.

During past few months French representative, at instance of Committee, has frequently asked French Government for instructions regarding payment of these sums but no reply has been received. At meeting held today it was agreed to request Governments represented on Committee to approach French Government.

Amounts due to these Railways by other countries are not available but they are of no immediate importance. Only anxiety is concerning arrears due to [? by] French Government on own account and for Czechs and *Allogènes*. Committee would be grateful for assistance of British Government in obtaining acknowledgment of these debts by French Government.⁴

Repeated to Peking.

¹ Mr. G. P. Paton had taken charge of H.M. Consulate at Vladivostok on Oct. 1.

² Of Sept. 24, not printed. This had asked Mr. Clive to confirm that the Inter-Allied Committee at Vladivostok had called the attention of the French Government to the debts of Czechs, Serbs, Roumanians, Letts, and Poles, for which it was understood that their representative had assumed responsibility.

³ See Vol. III, No. 256, Annex D.

⁴ For the action taken by H.M.G., see No. 148 below.

No. 122

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 3)
No. 458 [F 2680/126/23]

TOKYO, October 1, 1920

My Lord,

With reference to my despatch No. 312 of June 30th last¹ I have the honour to transmit herewith copy of a Memorandum by Mr. Crowe, Commercial Counsellor to His Majesty's Embassy in regard to the question of the abnormal imports into Japan of certain commodities which are of potential military importance.

It will be seen that Mr. Crowe confirms the opinion expressed by Mr. Horne² in the Memorandum¹ enclosed in my above-mentioned despatch, that

¹ Not printed.

² Commercial Secretary in H.M. Embassy at Tokyo.

these imports do not indicate active preparations of a warlike nature, an opinion which appears to be supported by the present position of the iron and steel works in Japan, and is shared by the Military Attaché to this Embassy.

I have, &c.
C. ELIOT

ENCLOSURE IN NO. 122

Memorandum by Mr. Crowe

Secret

YOKOHAMA, September 30, 1920

In a memorandum on this subject compiled by Mr. Horne and dated the 17th June last it was pointed out that the excessive importations of certain materials of military importance such as quicksilver, carbolic acid, copper, nitrates, &c. were the result of wild speculation and were not indications of active preparations of a warlike nature.

Since then the correctness of Mr. Horne's view has been confirmed by the further losses and re-exports which have taken place in connection with the above-mentioned articles.

While dealing with this subject of military preparations it is important to note that the iron and steel works in Japan at the present moment are all in the most serious difficulties. I am inclined to think that if Japan were contemplating any military adventures on a large scale in the near future, a Government which is prepared to advance so large a sum as Y40,000,000 to the cotton industry and Y50,000,000 to the silk industry would certainly be prepared to make far greater advances to an industry like iron and steel which is absolutely essential in time of war.

Business men realise that the fortunes of yesterday which seemed to be established on such solid foundations have vanished as in a night, and they are not likely to look with anything but dismay on the possibilities of a war with the United States which must bring about Japan's economic ruin. They would fight if they have to, but I do not think they are in an aggressive mood.

In my despatch Number 175, Overseas Trade of the 30th September,³ I deal with the present general feeling of pessimism which is oppressing the Japanese business world.

E. F. CROWE

³ Not printed.

No. 123

Mr. Clive (Peking) to Earl Curzon (Received October 4, 10.20 a.m.)

*No. 424 Telegraphic [F 2307/2086/10]**

PEKING, October 2, 1920, 3.45 p.m.

On the receipt of your telegram No. 305,¹ which crossed my telegram No. 400,² I saw Minister for Foreign Affairs and said that His Majesty's

¹ No. 115.

² No. 108.

Government were bound to watch closely the result of Chinese action if only on account of large British interests in Russian concessions. While not criticising action of Chinese Government, they considered that, in view of it, China must be regarded as trustee for the future recognised Russian Government. It was assumed, therefore, that minimum change would take place in administration of concessions consistent with substitution of Chinese official for Russian consul. His Excellency assured me this, broadly speaking, represented the attitude of Chinese Government, though I am a little doubtful whether he understands trusteeship in quite the same sense as your Lordship. In fact, he said rather ominously that, if Russia failed to establish recognised Government within a reasonable period, China could hardly be expected to continue trusteeship indefinitely, and that in any case Russian extra-territorial rights must be regarded as being in state of suspension from the date of mandate withdrawing recognition from Russian consuls.

I thought it well, therefore, to convey the warning in last paragraph of your telegram, and added that the information I had received of at least indirect connection of M. Yourin with Moscow appeared so conclusive that Chinese Government would do well to be on their guard. Situation at Harbin is likely to produce most complications, Chinese having ordered the abolishment of civil department of Chinese Eastern Railway and demanded immediate surrender of all files of cases pending in Central Asian Court, failing which they would seize them by force.

I have instructed His Majesty's consul not to join in any protest, but to keep me fully informed of developments.

There are indications, moreover, from Tien-tsin and Hankow that things are not working quite smoothly, Chinese having lost no time in emphasising their right to supreme authority.

I propose therefore, without protesting, unless British interests are directly menaced, to keep urging Chinese Government in a friendly way not to abuse trust they have so recently assumed nor foolishly to antagonise the Russians.

No. 124

Mr. Clive (Peking) to Earl Curzon (Received October 5, 4.5 p.m.)

No. 425 Telegraphic [F 2320/2218/10]

PEKING, October 4, 1920, 5.50 p.m.

My telegram No. 413.¹

Chinese Government have requested foreign representatives to consent on charitable grounds to levy for one year of surtax of 10% on maritime and native customs duties (i.e. raising present duties to 5½% *ad valorem*), proceeds to be controlled by Inspector General of Maritime Customs and to be used solely for famine relief. Yield of surtax is estimated at 4,000,000 taels and loan would be raised for this amount.

¹ No. 112.

At meeting of *Corps Diplomatique* on October 2nd Japanese Minister stated that in view of Japan's vast share in China trade his Government would have to consider effect on commercial interests and French Minister stated that he must consult his Chamber of Commerce at Shanghai, consequently unanimous representation to our Governments in favour of acceptance was impossible and it was left to each Legation to act separately.

In view of fact that surtax² is strictly limited and safeguarded and that there is no prospect of obtaining urgently needed stimulus³ by other means I would recommend that I be authorized to inform Chinese Government that His Majesty's Government sanction proposal subject to concurrence of other Treaty powers.

United States Minister is also recommending proposal to his Government and it is to be hoped that Japanese Government will not stand out.

Repeated to Tokio.

² The text received at Tokyo read: 'proposed surtax'.

³ In the text received at Tokyo this word read 'funds'.

No. 125

Mr. Clive (Peking) to Earl Curzon (Received October 5, 10 a.m.)

No. 426 Telegraphic [F 2315/479/10]

PEKING, October 4, 1920

Your telegram No. 290.¹

In view of the fact that Consortium is now about to commence its functions it seems highly desirable to avoid giving Japanese slightest pretext for questioning our motives in respect of any railway concession which we include in pool as a portion of British contribution.

Eleventh hour acceptance by us for pooling purposes of an extensive concession in province of Fukien (i.e. from Chao-Chowfu *vice*² Amoy) would provoke Japanese suspicions and prejudice chances of loyal acceptance by them of principle [*sic*] (states?) surrounding sphere of influence in China proper on which whole success of Consortium depends.

I would therefore submit that a reply to Chinese offer on lines of your telegram No. 223³ viz. to the effect that whole line proposed should be reserved for Consortium, is preferable to that now suggested, and would request if you concur, that Corporation⁴ instruct their representative accordingly.

¹ No. 106.

² Cf. No. 106 where the text reads: 'with extension to'.

³ No. 62.

⁴ i.e. the British and Chinese Corporation. In his telegram No. 319 of Oct. 14 (not printed) Lord Curzon agreed 'generally' and informed Mr. Clive that it had been arranged for the Corporation to send their representative the appropriate instructions. These were duly transmitted in Foreign Office telegram No. 320 of Oct. 14, not printed.

Sir A. Geddes (Washington) to Earl Curzon (Received October 6, 6.30 p.m.)
*No. 678 Telegraphic [F 2326/2086/10]**

WASHINGTON, October 5, 1920

Abrogation of Russian consular rights by China.

Assistant Secretary of State informed me to-day that State Department had instructed United States Minister at Peking to discuss with his colleagues action to be taken to protect extra-territorial rights of Russian subjects in China.¹ He has had two interviews with Chinese Chargé d'Affaires here, and has told him United States Government regard Chinese action in striking at political rights of Russians in China as liable to lend colour to belief that Chinese Government is acting as tool of Bolshevik leaders in Moscow, though he himself does not believe this to be the case, and also as liable to be construed as part of an attempt to strike at whole structure of foreign extra-territorial rights in China. He says he added that the only way for China to rid herself of these limitations upon her complete sovereignty is to establish such a Government and such courts that in time all foreigners resident in China would have complete confidence in administration of Chinese justice.

Assistant Secretary of State then told me he thought China should be pressed to appoint Russian assessors to sit with native courts when they are engaged in hearing cases involving Russians or Russian interests.

He asks what action, if any, His Majesty's Government proposes to take in the matter, and if it would be agreeable to His Majesty's Government to instruct British Chargé d'Affaires at Peking to co-operate with United States Minister in pressing Chinese to appoint Russian assessors. He expresses himself as being in doubt as to wisdom of applying pressure to China through consortium.

¹ See *F.R.U.S.* 1920, vol. i, pp. 768-70.

No. 127

Mr. Clive (Peking) to Earl Curzon (Received October 12, 2.45 p.m.)
No. 427 Telegraphic [F 2377/19/10]

PEKING, October 7, 1920, 8.25 p.m.

My telegram No. 400.¹

Minister for Foreign Affairs informs me that agreement has been concluded between Ministry of Communications and Russo-Chinese Bank² for the purpose of defining relations between Chinese and Russian interests in Chinese Eastern Railway under agreement of September 8th, 1896.³

¹ No. 108.

² In the Foreign Office these words were amended to read 'Russo-Asiatic Bank'; see No. 115, n. 2.

³ For the text of this agreement, see MacMurray, vol. i, pp. 74-91.

New agreement provides that railway shall be administered jointly as a purely commercial undertaking, that Board of Directors of Chinese Eastern Railway Company shall comprise five Chinese and five Russian members, President being Chinese with casting vote. Bank is recognized as a Russian Company with no political connections and agrees to pay Chinese Government sum of 5,000,000 taels with inter[e]st due under last paragraph of agreement of 1896, but hitherto unpaid.

Full text of agreement will be published shortly in Government Gazette. It would appear to be cleverly conceived from point of view of both parties and should be of assistance in clarifying international issues connected with railway.

Mr. Yourin has expressed himself to local press as strongly opposed to agreement.

No. 128

Mr. Clive (Peking) to Earl Curzon (Received October 10, 9.40 a.m.)

No. 429 Telegraphic [F 2348/1/10]

Very urgent

PEKING, October 9, 1920, 3.35 p.m.

Definite information was received October 7th from Messrs. Vickers' agent that 16 Avro machines 25 engines and spare parts had disappeared from Peking Government Aerodrome. Portable Hangar was being dismantled, also Handley Page machines. Moreover, Aerodrome has since August been forcibly held by Changtsolin who refuses to allow access to British mechanical staff engaged under Messrs. Vickers' contract. His Majesty's Consul-General at Mukden has now reported that eleven machines have arrived there and five more are on the way. Changtsolin has thus requisitioned from Central Government as booty from recent campaign¹ all available aviation material in spite of repeated and vigorous warnings which I have addressed during the last six weeks not only to Minister for Foreign Affairs but to Premier at a special interview on August 25th. To-day² I requested to see Minister for Foreign Affairs and informed his Excellency that action of Changtsolin must seriously affect good relations of our two Governments. Not only was it stated both in H[andley]-P[age's] and in Messrs. Vickers' contracts that machines were for commercial purposes but His Majesty's Legation had last March and again in July warned Chinese Government that if they were used for any other purpose His Majesty's Government might be forced to refuse to allow completion of contract (see my despatch No. 517 of July 21st).³ Moreover owing to openly avowed intention of Changtsolin to use these machines for military purposes His Majesty's Government were placed in a most embarrassing position *vis-à-vis* other Powers who had agreed not to allow import of arms into China. In the interests of China His Majesty's Government had always been chief supporter of arms embargo,

¹ i.e. the campaign against the Anfu leaders; see Nos. 66, 68, 72, and 88.

² This telegram was drafted on Oct. 8.

³ Not printed.

and should Changtsolin decline to return these machines to Central Government His Majesty's Government would probably be compelled

1. To issue statement of the whole position and how it had arisen. This could hardly be complimentary to Central Government whose utter powerlessness in the face of Changtsolin would thus be shown up.

2. To refuse to allow completion of Messrs. Vickers' contract, holding Chinese Government responsible for all loss arising therefrom.

Before recommending this drastic action I proposed to allow his Excellency one week, namely until October 16th, in which to induce Changtsolin to reconsider his attitude and guarantee return of machines to Peking. Failing a satisfactory reply by that date His Majesty's Government must be free to take what action they thought best. I referred to messages from Chinese Government which at his request I had forwarded to your Lordship, and to your Lordship's friendly reply which I had conveyed to him.⁴ I drew his attention to broad-minded attitude which His Majesty's Government were adopting towards China and I appealed to him in the interests of good relations between our two countries to induce Cabinet to assert their position. He promised to urge Premier to send a special Delegate to Mukden, and to give me a reply by October 16th.

I am not very hopeful of success as good intentions of Central Government do not avail much with independent authority like Changtsolin. I therefore suggest that Messrs. Vickers be provisionally warned to stop further shipments.

⁴ See No. 95 and No. 95, n. 3.

No. 129

Sir C. Eliot (Tokyo) to Earl Curzon (Received October 14, 11.15 a.m.)

No. ? 384 Telegraphic [F 2428/921/23]

TOKYO, October 11, 1920, 3.40 p.m.

My telegrams 183 and 197.¹

Following from Naval Attaché.

Japanese Admiralty informs me it is practically decided not to place any orders for capital ships abroad in near future for following reasons.

1. Economic situation has entirely changed in Japan during the last five months.

2. Japanese consider to-day they can build men-of-war cheaper than they can buy abroad.

3. Price of materials have been² coming down and labour is abundant.

4. Many private yards are threatened with closing down unless Admiralty assists them and this must be done to safeguard shipbuilding industry of country. At the moment Japan has not got facilities to (? execute) her new programme but every effort is to be made to attain this end.

¹ Of May 18 and 24 respectively, not printed.

² The text as sent read 'is'.

At next session of Diet Navy will ask for a further grant as funds in hand and voted up to date are not sufficient.

Vickers representative tells me that he expects shortly to get an order for his firm: I do not think there is a chance of Japan buying naval war material abroad in near future except (? armour) (? unless)³ a few submarine(? s and) (? perhaps) a sample light cruiser.

I have this information on highest authority and this opinion is concurred in by Naval Authorities.

³ The text as sent read 'steel'.

No. 130

Earl Curzon to Mr. Clive (Peking)
*No. 317 Telegraphic [F 2326/2086/10]**

FOREIGN OFFICE, *October 11, 1920, 10 p.m.*

Washington telegram No. 678 of 5th October.¹

We see no objection to action being taken in the sense proposed by the United States Government, but should be glad of your observations.

¹ No. 126.

No. 131

Earl Curzon to Mr. Clive (Peking)
*No. 318 Telegraphic [F 2348/1/10]**

FOREIGN OFFICE, *October 12, 1920, 6 p.m.*

Your telegram No. 429.¹

Matter will be fully considered as soon as possible.

In meantime, have you considered advisability of bringing pressure to bear locally upon Changtsolin? Might not His Majesty's consul-general with advantage see him and explain serious consequences which his seizure of the aeroplanes may entail?

¹ No. 128.

No. 132

Sir C. Eliot (Tokyo) to Earl Curzon (Received October 17, 11.15 a.m.)
No. ? 388 Telegraphic [F 2450/2358/10]

TOKYO, *October [13], 1920 [1 p.m.]*

My telegram No. 380.¹

Following from Military Attaché.

War Office inform me as follows:

Anti-Japanese disturbances on Northern frontier of Corea are spreading.

¹ Of Oct. 7, not printed. This had reported attacks by Chinese bandits on Hunchun where they burned the Japanese consulate.

Chinese bandits . . .² renegade Koreans and several Bolsheviks reported last week in the neighbourhood of Hunchun now said to be moving westward along Korean boundary.

Japanese have decided to clear district of Chientao of all bandits as they fear that if not driven off they will co-operate with Koreans inside Korea.

At present Japanese forces in that district consist of two battalions at Hunchun and two battalions at Chutzvjih.³ This force will be increased by two (? more) battalions despatched from Korea making total strength one brigade. Chinese Governor of Funtien Province has promised (? co-operation of) one brigade of Chinese troops.

Japanese consider above force sufficient for the purpose but should further reinforcements be required, they will be drawn from the 14th Division at present being evacuated from Siberia. Japanese Minister at Peking has been instructed to obtain sanction of Chinese Government for these operations to be carried out.

War Office assure me that Japanese have no intention of permanently retaining troops in that portion of China and that they will be withdrawn to Korea as soon as proposed operations have been successfully concluded.

Message ends.

Vice-Minister for Foreign Affairs informs me that Japanese Ambassador in London has been instructed to make a communication to Your Lordship in regard to situation.⁴

² The text is here uncertain. The text as sent read: 'accompanied by'.

³ The text as sent read 'Chutzuchieh'.

⁴ See No. 133 below.

No. 133

Substance of a telegram received by the Japanese Ambassador from the Japanese Foreign Minister, on October 13, 1920¹

[F 2448/2358/10]

You are instructed to bring to the confidential information of His Britannic Majesty's Secretary of State for Foreign Affairs, that the Chinese Government acceded to the Japanese request on the 10th (?) instant to consent to the despatch of Japanese troops to Chientau and to effect co-operation between the Chinese and Japanese troops in the attempt to pacify the region.

You will add that His Majesty's Government desire to acquaint Lord Curzon with this matter prior to the publication of a communiqué which is in course of preparation.²

¹ Handed to Lord Hardinge by the Japanese Ambassador on Oct. 14.

² 'A Statement of facts in regard to the situation in Hunchun and Chientau, based on telegrams received from Count Uchida' (not printed) had been communicated to the Foreign Office by the Japanese Embassy on Oct. 13, as were also a paraphrase of a telegram on the same subject received by Baron Hayashi from Count Uchida on Oct. 9 and 'a further telegram from Count Uchida on the situation in Hunchun and Chientau'.

No. 134

Mr. Clive (Peking) to Earl Curzon (Received October 19, 2 p.m.)

*No. 436 Telegraphic [F 2480/2086/10]**

PEKING, October 15, 1920, 4 p.m.

My telegram No. 400.¹

Minister for Foreign Affairs told me that Vourin [Yourin] produced no credentials expected from Verknudinsk Government, that he appeared persistently to have lied to Chinese authorities, and his Excellency was evidently hesitating as to future course to be followed regarding him. He then asked me pointedly what was the attitude of His Majesty's Government regarding Russia.

I said that so far as I gathered, mainly from press, negotiations for resumption of commercial relations had so far not materialised, mainly because Soviet agents appeared to be incapable of keeping their word, and I added that evidently greatest caution was necessary in dealing with these people.

Minister for Foreign Affairs fears, I think, that Chinese Government have gone a little too far and is . . .² of a reaction. He readily agreed at my request to instruct Kashgar authorities to be very cautious in dealing with Bolshevik mission recently reported at Irkestan, who are trying to force their way to Kashgar.

(Sent to India.)

¹ No. 108.

² The text is here uncertain.

No. 135

Mr. Clive (Peking) to Earl Curzon (Received October 17, 10.15 p.m.)

*No. 434 Telegraphic [F 2456/2086/10]**

PEKING, October 15, 1920, 4.55 p.m.

Your telegram No. 317.¹

As stated in last paragraph my telegram No. 424,² I have continued to urge Minister for Foreign Affairs to make all reasonable concessions to avoid friction and there is no doubt that Chinese Government, who had not thought out consequences of this action at the time when Mandate³ was issued, recognised need for conciliation. Principle of Russian assertions appears now in practice to be admitted.

At the same time *Corps diplomatique* thought well to address note recently to Chinese Government:

1. Enquiring whether the latter would confirm in writing assurances given verbally to several foreign representatives that measures taken under Mandate are not to be considered as a permanent derogation to Russian rights

¹ No. 130.

² No. 123.

³ i.e. the Chinese Presidential mandate terminating official recognition of the Russian diplomatic and consular officials in China: see No. 114, n. 1.

under their treaties, but as a temporary arrangement for settlement with a future recognised Russian Government.

2. Suggesting that in view of effect which issue of Mandate was having on interests of nations [? nationals] of other Treaty Powers, Chinese Government might be willing to discuss with *Corps diplomatique* a *modus vivendi* in order to help smooth over various practical difficulties which it was felt must otherwise arise.⁴

Corps diplomatique had in mind, for instance, question of 50,000 Russians in international settlement in Shanghai, where Chinese Government can only exercise jurisdiction through Mixed Court.

I hope that your Lordship will approve of my action in agreeing to this note in the moderated form in which it was sent. Having since discussed substance with Minister for Foreign Affairs I have no reason to believe Chinese Government resent it, while I feel it is useful, (1) as placing formally on record mandatory assurances given, (2) as a friendly warning to Chinese Government from all Treaty Powers to go slow.⁵

⁴ For the text of this note, see *China Year Book*, 1921-22, pp. 628-9. For an account of the further development of this question, see Robert T. Pollard, *China's Foreign Relations 1917-1931* (New York, 1933), especially pp. 148-56.

⁵ In his immediately following telegram (not printed) Mr. Clive reported that the Chinese Minister for Foreign Affairs 'realises broad-minded attitude of His Majesty's Government as compared with self-interested policy of French and Japanese Governments in regard to this question'.

No. 136

Earl Curzon to Mr. Clive (Peking)

*No. 327 Telegraphic [F 2358/2358/10]**

FOREIGN OFFICE, *October 16, 1920, 6 p.m.*

Tokyo telegram No. 380.¹

Please enquire into position and report by telegraph.

It is evident that the Japanese Government are disposed to attribute considerable importance to these incidents. In accordance with spirit of Anglo-Japanese alliance, Japanese Ambassador has communicated decision of his Government to send troops to four points in Chinese territory, mentioned in article 2 of Chientao Agreement of 1909,² if necessary without the co-operation or consent of the Chinese Government, but to withdraw troops so soon as danger of Korean bandits ceases.³

(Repeat to Tokyo.)

¹ Not printed; see No. 132, n. 1.

² See *B.F.S.P.*, vol. 102, pp. 391-2.

³ The despatch of troops, and the intention to withdraw them as soon as the danger ceased, were announced in a telegram from Count Uchida received by Baron Hayashi on Oct. 9 and transmitted to the Foreign Office on Oct. 13. See Nos. 132 and 133, n. 2.

Mr. Clive (Peking) to Earl Curzon (Received October 17, 11.15 a.m.)

No. 437 Telegraphic [F 2454/568/10]

Urgent

PEKING, October 16, 1920, 9.40 p.m.

Your telegram No. 286.¹

His Majesty's Consul at Vladivostock reports that Japanese Military Government of Sa[g]halien has issued mining regulations prohibiting transfer of mining properties under severe penalties. Copy of regulations was published in Peking press (? October 13th). Consul recommends strong protest to Japanese Government if regulations which conflict with Japanese memorandum of August 13th denying intention of territorial aggression² are authentic.

Firm offer of private properties has been made to Weatherbe. With his approval we have approached K.M.A.³ with a view to latter or Chinese Engineering and Mining Company⁴ taking over negotiations from the point to which Weatherbe had brought them. Russian owners have been informed that a proposal for acquisition will be made and K.M.A. representative here is now discussing with Chinese Engineering and Mining Company, London, terms on which acquisition should be effected. K.M.A. would be prepared to co-operate with Japanese. His Majesty's Consul at Vladivostock telegraphed October 15th that Russian Ministry of Trade and Industry in Vladivostock now desire to resume negotiations regarding cession of Government areas. (? *De facto*) Government at Vladivostock therefore does not recognize regulations of Military Government of Sa[g]halien. In view of large expenditure already incurred by British on negotiations and investigations extending over three years, there appears to be good ground for claiming that (? any) transfer of mining rights arranged between Russians and K.M.A. or C.E. and M. Co., must be recognised by Japanese Government. Should C.E. and M. Co. (? approach) Foreign Office, I would suggest they be informed that a transfer of mining rights in private-owned or Government areas would receive recognition from (His Majesty's Government). This would appear a natural corollary to Japanese memorandum of August 13th.⁵

Repeated to Tokio.

¹ No. 102.

² See No. 92, n. 1.

³ i.e. Kailan Mining Administration.

⁴ The Chinese Engineering and Mining Co. was the chief partner in the Kailan Mining Administration

⁵ In his immediately following telegram, No. 438 of Oct. 16, Mr. Clive added that it was 'instructive to notice that Japanese who in association with French are strongest upholders of Russian rights and privileges in China are acting in Saghalien in direct contrary sense and at variance with their assurance of August 13th i.e. if new mining regulations are all authentic'.

No. 138

Earl Curzon to Mr. Clive (Peking)
*No. 333 Telegraphic [F 2348/1/10]**

FOREIGN OFFICE, *October 19, 1920, 7 p.m.*

Your telegram No. 429.¹

In view of fact that no breach of contract can be laid to door of Vickers and that loan of security on Chinese Treasury notes has been floated on British public, I am advised it is very doubtful whether we are legally in a position to instruct firm to suspend deliveries. Chinese Government might well refuse to pay interest or redeem matured notes, and bondholders would seek redress from Messrs. Vickers who would hold His Majesty's Government responsible.

Firm state that up to date twenty Avros, ten Vimy Commercials and various sundries have been delivered to Chinese Government; four further Vimys are due at Tien-tsin on 18th October, and a further six in the middle of November. The last shipment this year, consisting of yet a further four Vimys, is due to leave here the middle of October. They declare that these machines can only be assembled by their own staff.

Further, there is a supply of 10,000 gallons of castrol oil said to be lying at Tien-tsin which has presumably not fallen into the hands of Changtso-lin. Without this engines cannot work.

If oil can be held up, this seems to offer temporary way out of difficulty until we see result of your representations to Chinese Government. Should those prove fruitless, matter must be considered afresh; but as it cannot be to interest of Chinese Government that aeroplanes should fall into Chang's² hands, could they not order Customs to hold them at port of entry? I am most reluctant to take drastic action here, but if in final resort it should become necessary in order not to conflict with international obligations, are you convinced: (1) That we should have a good case with the Chinese? and (2) That you would be in a position to enforce payment of interest and principal on the loan?

(Repeat to Tokyo.)

¹ No. 128.

² i.e. Chang Tso-lin.

No. 139

Earl Curzon to Sir C. Eliot (Tokyo)
No. 331 Telegraphic [F 2495/199/23]

FOREIGN OFFICE, *October 21, 1920, 9 p.m.*

A Committee has been set up to consider the question of the renewal of the Anglo-Japanese Alliance and our future policy in the Far East.¹ The

¹ Cf. No. 97, n. 1. This Committee met on various occasions from Oct. 19 to Nov. 30 and at its last meeting agreed that its report should be referred semi-officially to the Colonial Office and the India Office before being submitted to Lord Curzon. For the report, see No. 212 below.

Committee wants as soon as possible a report giving a comprehensive survey of the economic conditions in Japan with special reference to their probable effect on the future course of Japan's foreign policy. The points upon which information is required are:

1. The present state of industrial organisation.
2. The correlation of conditions of production, finance and transport in a policy of economic expansion.
3. Labour movements and social conditions and their likely effect on the democratization of Japan.
4. The effect of democratization on Japan's future foreign policy especially as regards China.

Attention is called to Foreign Office Circular of August 11th, 1917, enclosing Memorandum dealing with Germany² which will give an indication of the lines upon which the Report should be drawn up.

Report by despatch,³ but telegraph summary.⁴

² Not printed.

³ Sir C. Eliot reported in Tokyo despatch No. 556 of Nov. 26, not printed.

⁴ No. 155 below.

No. 140

Note from Earl Curzon to the Japanese Ambassador

[F 2471/2358/10]

FOREIGN OFFICE, October 21, 1920

Your Excellency,

I have the honour to acknowledge the receipt of the various communications which Your Excellency has been good enough to hand in to this Department, emphasizing the reasons which have actuated the Japanese Government in despatching troops to the district of Chientao.¹

I have taken due note of the decision of the Japanese Government, as recorded in paragraph 3 of Count Uchida's telegram to Your Excellency of October 9th, to withdraw these troops as soon as the present dangerous state of affairs terminates in the district, the measures now being taken being of a purely temporary nature to meet the emergency that has arisen.

I venture to express the satisfaction with which I have learnt of this decision by the Japanese Government, a decision which is in entire harmony with the spirit and letter of the Anglo-Japanese Alliance.

It is noted that the decision of the Japanese Government has been placed on record in the statement issued by them on October 14th, a copy of which was handed to Mr. Wellesley by Mr. Nagai on October 18th.² I do not doubt that this step will exercise a reassuring effect upon public opinion should any doubts arise as to the scope of the action now being taken by the Japanese Government in the Chientao district.

I have, &c.

(For the Secretary of State)³

¹ See No. 133, No. 133, n. 2, and No. 136, n. 3.

² For this statement, see the *Daily Telegraph* of Oct. 19. Mr. Nagai was Counsellor in the Japanese Embassy in London.

³ Signature lacking from filed copy.

No. 141

Earl Curzon to Mr. Clive (Peking)

No. 338 Telegraphic [F 2455/568/10]

FOREIGN OFFICE, *October 22, 1920, 6 p.m.*

Your telegrams Nos. 437¹ and 438.²

Matter has been discussed with Major Nathan³ who has been informed in writing that His Majesty's Government can assume no responsibility for validity of Russian title but that they look upon acquisition of rights in question as important to British interests and in event of difficulties subsequent to acquisition of titles His Majesty's Government will afford sympathetic support and such assistance as they properly can.

Confidential

I have thought it better to leave question of Japanese registration alone until point arises in practical form.

Does this project dovetail into Weatherbe's banking project⁴ or is that definitely dead?⁵

Repeat to Tokyo and keep them informed of position.

¹ No. 137.

² See No. 137, n. 5.

³ General Manager of the Chinese Engineering and Mining Co. Ltd.

⁴ The draft read 'Nanking project', i.e. a scheme to form an Anglo-Chinese company for the manufacture of iron and steel at Nanking.

⁵ In his telegram No. 458 of Oct. 28 (not printed) Mr. Clive replied: 'If reference is to Weatherbe's (Yangtse) scheme that project is not dead but negotiations with British Capitalists are in abeyance pending fuller investigation of iron deposits.' The project finally failed because of the withdrawal of the British-American Mining Company.

No. 142

Mr. Clive (Peking) to Earl Curzon (Received October 24, 6.30 p.m.)

No. 448 Telegraphic [F 2567/2358/10]

PEKING, *October 22, 1920, 8 p.m.*

Your telegram No. 327.¹

Minister for Foreign Affairs told me today that Japanese Minister had now informed him the Japanese troops would only be withdrawn when all danger of Korean bandits along the (? frontier) had ceased. He regarded this as an omen of² modification of original proposal to withdraw when order had been restored and instructed Chinese representative in Tokio to enquire of Japanese Government precisely what was meant.

Blame for origin of trouble undoubtedly rests on Chinese. Acting Inspector General of Customs warned Chang-tso-lin months ago of danger of trouble in Chientao but latter did nothing. I told Minister for Foreign Affairs incident need never have arisen if Chang-tso-lin paid more attention to his

¹ No. 136.

² The text received at Tokyo read: 'an ominous'.

own province and less to politics in Peking and warned him it was necessary to prove that Chinese troops could keep order before Japanese were likely to withdraw. He said that Chinese troops were now on the way there. Japanese Minister tells me that he has . . .³ last year repeatedly warned Chinese Government but without effect. There are a quarter of a million Koreans and two or three thousand Japanese in Chientao. If Chinese will not afford protection Japanese must do so.

Commercial interests there are excited by articles in Chinese Press and signs of student agitation.⁴

Central Government is absolutely powerless and practically incapable.⁵
Repeated to Tokio.

³ The text is here uncertain. The text received at Tokyo read 'during'.

⁴ In the text received at Tokyo this sentence read: 'He said that there are (?) malignant articles in Chinese Press and (?) that it was not result of student agitation.'

⁵ This word read 'bankrupt' in the text received at Tokyo.

No. 143

Sir C. Eliot (Tokyo) to Earl Curzon (Received October 23, 11.45 a.m.)

No. 397 Telegraphic [F 2565/56/23]

Urgent

TOKYO, October 22, 1920, 10 p.m.

Shaw case.

Your telegram No. 304¹ and my telegram No. 369.²

Japanese Government have sent a lengthy communication which contains little that is new.

They maintain that arrest and protracted proceedings are not contrary to international law since they are in conformity with Japanese code which is based on principles accepted by majority of civilised States including France.

They add that jurisdiction exercised in Shaw's case is claimed only for grave offences against safety or honour of the Empire and by no means for all offences. In reply to second argument in your telegram they deny a British subject leaving Chinese territory can carry with him a right to consular jurisdiction based on a treaty with China.³ Shaw's guilt is reaffirmed and he is accused of actively assisting Society known as Provisional Government of Korean Republic with full knowledge of its objects which included military training of conspirators, importation of arms and ammunition, assassination of high officials and destruction of Government buildings.

Note concludes by saying that Japanese Government shares desire of His Majesty's Government that this case should not injuriously affect important mutual interests and that earnest attention is being given to discovery of some

¹ Of Sept. 17, not printed; see No. 98, n. 4.

² No. 119.

³ This 'second argument' in telegram No. 304 to Tokyo was that drawn from the extra-territorial rights of British citizens in China, as explained in No. 98 above.

satisfactory solution. I understand that Minister for Foreign Affairs is still not . . .⁴ of a solution on lines of second paragraph of my telegram No. 374.⁵

I have informed Minister for Foreign Affairs that according to news from Shanghai, Shaw case will probably be publicly discussed at meeting of Associated Chamber of Commerce which takes place on November 2nd and have urged that he should be released before that date. I venture to suggest that you should speak again to Japanese Ambassador.

Moment is favourable because Governor General of Korea is here on a visit and I believe (? advised) release of Shaw⁶ if sufficient pressure is applied.

⁴ The text is here uncertain. The text as sent read: 'is still trying to arrange a solution'.

⁵ Of Oct. 5, not printed. The solution suggested in this telegram was as follows: 'Shaw to be released on bail furnished by himself or friend and allowed to leave Japanese territory. His Majesty's Embassy to inform Japanese Government that provided *prima facie* evidence can be produced that Shaw has committed an offence cognizable by British Consular Courts in China, British authorities will do all in their power to facilitate prosecution of Shaw in such a Court.' In his telegram No. 334 of Oct. 23 to Tokyo (not printed) Lord Curzon intimated that he would be prepared to accept this solution, provided Mr. Clive saw no objection.

⁶ The text as sent read: 'I believe that he can release Shaw.'

No. 144

Earl Curzon to Mr. Clive (Peking)

No. 340 Telegraphic [F 2425/2425/10]

Secret

FOREIGN OFFICE, October 23, 1920, 6 p.m.

Your despatch No. 535.¹

A Departmental Committee has just been set up to study question of renewal of Anglo-Japanese Alliance.² Concrete evidence of all illegitimate methods employed by Japan to circumvent the policy of equal opportunity enunciated in the alliance would much assist the Committee in making their recommendations.

Please instruct all Consuls to make an accurate record of all properly substantiated cases as soon as possible. These you could summarise by telegram if the material is suitable; otherwise please embody in a despatch by post.

¹ Of July 30, not printed. This had transmitted a report concerning anti-Japanese feeling in Manchuria and the way in which, in Mr. Clive's words, 'the open door' was 'kept closed to non-Japanese commercial enterprise in that region'.

² See No. 139, n. 1.

No. 145

Sir C. Eliot (Tokyo) to Earl Curzon (Received October 24, 7 p.m.)

No. 398 Telegraphic [F 2566/56/23]

Urgent

TOKYO, October 23, 1920

(? Following sent to) Consul General at Seoul today.

Begins.

Immediate and Secret

(? Minister for Foreign Affairs) informs me provided Shaw does not return to Antung he can be released on bail. He can then live nominally in Seoul but no objection will be made to his leaving the country and no further proceedings will be taken. He need not give up his business in Antung provided he does not go there himself. Minister for Foreign Affairs recognizes that British officials cannot be parties to any guarantee since we do not admit Japanese jurisdiction in this case and Japanese Government does not desire any guarantee from Shaw because proposed arrangement is extra (*sic*) legal.¹ But they will consider Shaw acts dishonourably if he returns to Antung.

Mrs. Shaw informed Japanese Secretary of this Embassy early in September that her husband intended to leave Antung. This statement was entirely spontaneous and apparently Japanese proposal is in harmony with Shaw's private plans. But a very disagreeable situation would be created if he altered his plans and Japanese authorities at Antung would doubtless do all in their power to inconvenience him if he attempted to return there.

An immediate answer is desirable as Governor General of Corea is (? here) at present.²

¹ The Tokyo archives' text of this telegram to Seoul here reads 'extra-legal'.

² Cf. No. 143, last para. In his reply (Seoul telegram No. 35 of Oct. 27) H.M. Consul-General reported that Mr. Shaw was prepared to leave Antung on certain conditions.

No. 146

Sir C. Eliot (Tokyo) to Earl Curzon (Received October 28, 11.15 a.m.)

No. 399 Telegraphic [F 2613/2559/23]

TOKYO, October 25, 1920 [4.30 p.m.]

Mining concessions in Sakhalin.

My telegram No. 351.¹

To . . .² complication His Majesty's Government should read text³ of regulations for controlling mining industry published by Japanese Commander-in-Chief Saghalien to following effect:

Firstly: Applications for mining rights will not be granted for the time being.

¹ Of Sept. 15, not printed.

² The text is here uncertain.

³ In the text as sent this sentence began: 'Mil. Att. has obtained from the General Staff the text'. Cf. No. 137.

Secondly: Transfers of mining rights are prohibited for the time being.
Thirdly: Persons holding mining rights must report their ownership of a mining area before October 31st with documentary proofs and maps.

Fourthly: Exercise of mining rights is forbidden for the time being except to those who at present are exercising such rights.

Should I make any protest against these regulations in the interests of We[a]therbe?⁴

It seems probable that under Russian Law foreigners could not hold mining rights in Siberia but there is some difference between statements of Russian Embassy here and of foreigners with practical experience.

⁴ In Foreign Office telegram No. 347 of Nov. 10 (not printed) Lord Curzon instructed Sir C. Eliot 'to make protest on ground that Japanese occupation of N. Saghalien is no justification for anything tending to interfere with legitimate British enterprise or to prevent British subjects from completing the title to mining interests for which they have already been negotiating'. See also No. 161 below, n. 1.

No. 147

Earl Curzon to Mr. Clive (Peking)

No. 343 Telegraphic [F 2499/2218/10]¹

FOREIGN OFFICE, *October 26, 1920, 10 p.m.*

Your telegram No. 425.²

H.M.G. are disposed to concur in Chinese Government's proposal on condition that,

- (1) all other Treaty Powers agree.
- (2) British Chamber of Commerce Shanghai, of whose views I shall be glad to be informed, have no sufficient grounds to the contrary.
- (3) That all other available sources have already been, or are being, fully drawn upon.
- (4) That adequate guarantees are given for effective administration of the funds raised, and against speculation in food-stuffs.

Is press statement here true that surcharges will be imposed on salt tax and postal fees?

¹ Only the approved draft of this telegram has been traced in Foreign Office archives.

² No. 124.

No. 148

Note from Earl Curzon to the French Ambassador

[F 2295/19/10]

Urgent

FOREIGN OFFICE, *October 28, 1920*

Your Excellency,

I have the honour to refer to the note which I addressed to Your Excellency

on June 26th last¹ and to a subsequent communication dated July 31st² respecting the financial difficulties of the Chinese Eastern Railway.

Your Excellency will recollect that the outstanding debts to the railway at the end of April of the French and the Czechs amounted in all to over three million six hundred thousand gold dollars. According to the most recent information which has reached me from Vladivostok, these debts are now estimated at over four million eight hundred thousand gold dollars. In addition to this, it appears that the debts due to the railway by the Poles, Serbs, Roumanians and Letts amount to four hundred and sixty-four thousand gold dollars.

The Inter-Allied Committee at Vladivostok, through the French representative on the Committee, have, I understand, already drawn the attention of the French Government to this matter.³

Your Excellency will be aware of the text of the notes exchanged at Paris on July 16th 1918 between the French Minister for Foreign Affairs and His Majesty's Embassy⁴, in which the following paragraph occurs:

'Finally on the 2nd instant, it was agreed in Paris that the French Government should be responsible for the provision of funds for the upkeep of the Czecho-Slovak forces in Russia and His Majesty's Government for their transportation and for other expenses from the date of embarkation. It was agreed that all such expenses should be pooled later. . . .'

According to a subsequent note from Monsieur Pichon dated August 15th 1918, the French Government agreed to maintain the forces of the *allogènes* (Poles, Serbs, Roumanians and Letts) in addition to those of the Czecho-Slovaks.⁵ The maintenance of these forces must of course be understood to include any expenses connected with their transport along the railway for military purposes or for evacuation up to the date of embarkation. His Majesty's Government assumed responsibility for their transport by sea and other expenses 'from the date of embarkation'.

As I have already had the honour to point out to Your Excellency the precarious financial condition of the Chinese Eastern Railway would be greatly improved if all the outstanding Allied indebtedness were liquidated and I have the honour once again to draw Your Excellency's attention to this matter and to express the hope of His Majesty's Government that the French Government will realise the importance of co-operating with them and with the other Powers concerned in doing all that is possible to safeguard the uninterrupted running of this important artery of international communication which is a matter of some urgency.

I have, &c.

(For the Secretary of State)

VICTOR WELLESLEY

¹ No. 57.

² Not printed. In this note Lord Curzon had explained that the suggestion made in No. 57 'to the effect that the guarding of the railway should be entrusted to Japan and China jointly was . . . a slight departure from the original Inter-Allied agreement of January 1919 in that the original agreement entrusted to the Chinese alone the duty of guarding this Section of the trans-Siberian Railway'.

⁴ Not printed; see Vol. III, No. 256, Annex D.

³ Cf. No. 121.

⁵ See *ibid.*

No. 149

Earl Curzon to Sir C. Eliot (Tokyo)

No. 340 Telegraphic [F 2611/56/23]

Immediate

FOREIGN OFFICE, November 1, 1920, 2 p.m.

Peking telegram No. 456, 3rd paragraph.¹

I share Mr. Clive's view on question of bail.

My acceptance of the compromise proposed by Minister for Foreign Affairs—see your telegram No. 374 (F. 2342)²—must now be conditional upon demand for bail being dropped.

A question has been put in Parliament³ and there are signs that public irritation is increasing in this country. Unless this case is promptly settled it may have serious consequences. You should therefore lose no time in urging upon the Japanese Minister for Foreign Affairs the paramount importance of an immediate settlement.⁴

¹ Of Oct. 27, not printed. In it Mr. Clive 'ventured' to think that 'any question of bail [for Mr. Shaw] on the understanding that Japanese Authorities will connive at his breaking it is utterly unsatisfactory and will be so considered in China where Japanese will be (? considered) to have won altogether in question of principle'.

² Of Oct. 5, not printed. See No. 143, n. 5.

³ This question was postponed. See No. 157 below.

⁴ Sir C. Eliot reported (in Tokyo telegram No. 411 of Nov. 3, not printed) that he had seen the Minister for Foreign Affairs immediately on receipt of the foregoing instruction.

No. 150

Mr. Clive (Peking) to Earl Curzon (Received November 2, 11.15 p.m.)

No. 466 Telegraphic [F 2662/2218/10]

PEKING, November 1, 1920, 10.20 p.m.

Your telegram No. 343.¹

Japanese Minister notified Chinese Government today that his Government agreed to surtax proposal.

Answer to questions 3 and 4 is in the affirmative.

Surcharges are being imposed on the railway, postal and telegraph rates but not on salt tax.

May I inform Chinese Government of His Majesty's Government's agreement as soon as I have ascertained that British Chamber of Commerce to whom the proposal was communicated three weeks ago have not sufficient grounds to contrary?²

¹ No. 147.

² Lord Curzon answered 'Yes' in his telegram No. 358 of Nov. 5 (not printed), and Mr. Clive in Peking telegram No. 488 of Nov. 18 (not printed) reported having informed the Chinese Government accordingly. Subsequently, in Peking telegram No. 37 of Jan. 26, 1921 (not printed), Sir B. Alston stated that the famine relief customs surtax was to come into force on March 1 for all imports and exports.

No. 151

Earl Curzon to Mr. Clive (Peking)

No. 608 [F 2409/1100/10]

FOREIGN OFFICE, *November 1, 1920*

Sir:

I have received your despatch No. 501 of July 12th last enclosing a précis by His Majesty's Consul at Amoy of further anti-British articles published in the local Japanese paper.¹

It has always appeared of doubtful wisdom to take any official notice of such anti-British propaganda unless indeed Japanese official cognisance of their issue could be proved.

The attitude of the British Press, though not without some justification by the events of the past few years, is certainly highly critical of Japan and of Japanese policy; and though I do not for a moment wish it to be inferred that I wish to draw any parallel between the utterances of British papers in China and the scurrilous anti-British articles that have been published in the Japanese press, both at Tsinanfu, Amoy and possibly elsewhere, yet I am of opinion that to call the attention of the Japanese Government officially to the matter would merely be to invite them to bring the anti-Japanese attitude of the local British press to the notice of His Majesty's Government.

Generally speaking therefore I do not see what action if any, can usefully be taken at the present juncture; but before coming to a definite decision one way or the other I should be glad to receive from you any observations that may occur to you as a possible way of dealing with the whole question.²

I am, &c.

(For the Secretary of State)

VICTOR WELLESLEY

¹ This despatch and its enclosure are not printed.

² In his despatch No. 603 of Oct. 18, 1921 (not printed), Sir B. Alston stated that he had obtained reports from H.M. Consular representatives at Tientsin, Shanghai, Tsinanfu, Amoy, and Foochow who agreed with Lord Curzon's view, 'namely, that it would be unwise to take any official notice of such propaganda, unless, of course, Japanese official cognisance of it could be proved'. He also emphasized the difficulties of conducting effective British propaganda in China.

No. 152

Mr. Hubbard¹ (Peking) to Earl Curzon (Received November 3, 11.5 a.m.)

No. 468 Telegraphic [F 2668/865/10]

PEKING, *November 2, 1920, 8 p.m.*

My telegram No. 396.²

Chen's³ troops have occupied Canton city and Kuang-Si forces are retiring quietly.

¹ Second Secretary in H.M. Legation, Peking.

² Of Sept. 18, not printed.

³ Gen. Chen Chiung-ming, formerly Tuchun of Kwantung, was a supporter of the

His Majesty's Consul General reports normal conditions now prevail and he has informed General Officer Commanding Hongkong that Indian troops can be withdrawn from Shameen.⁴

On eve of their defeat Kuang-Si leaders proclaimed termination of military Government and cancellation of independence of southern provinces. On strength of this and of recent expulsion of Yunnan forces from Szechuan, President issued mandates of October 30th announcing reunification of country and ordering election of new Parliament on basis of law of 1911.

It is doubtful how far southern party as a whole will acquiesce in this announcement, which has already been challenged by their Extremists.

Repeated to Tokio.

Cantonese Kuomintang party, headed by Dr. Sun Yat-sen, which had been driven from power at Canton by the so-called Kwangsi militarists. Cf. *F.R.U.S. 1920*, vol. i, pp. 480-3.

⁴ Fifty Indian troops had been sent from Hong Kong to Shameen in September, at the request of the British Consul and the Senior Naval Officer, West River.

No. 153

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 5, 9.45 p.m.)

No. 419 Telegraphic [F 2749/56/23]

Very urgent

TOKYO, November 4, 1920 [7.30 p.m.]

My telegram No. 417.¹

I informed Minister for Foreign Affairs to-day that I could not consider circumstances of Shaw's release satisfactory.² His Majesty's Government must insist on bail being dropped.

Minister for Foreign Affairs said that this was a case in which the two countries held different views as to criminal law and Japanese Government were not singular in their view. He had done all in his power to defer to wishes of an Allied Government but he could not, at a moment's notice, alter law of Japan. Only method of releasing Shaw was to release him on bail because Judicial Authorities at Seoul insisted that they had strong evidence against him and it was impossible for Administration to over-ride not only Korean Courts but Ministry of Justice in Tokio. He could assure me privately that Shaw was at liberty to leave Japanese territory when he chose and he thought that he was offering a very friendly compromise.

I said His Majesty's Government and Shaw himself objected to an arrangement which practically obliged Shaw to commit a dishonourable act. I had no instructions from you which exactly covered present . . .³ case but if His Excellency would inform me officially that Shaw was at liberty to leave Japanese territory I would recommend this solution to you since release on bail had already taken place.

¹ Of Nov. 4, not printed.

² In his telegram No. 415 of Nov. 3 (not printed) Sir C. Eliot had reported that Mr. Shaw had been released on bail early that morning.

³ The text is here uncertain. The text as sent read: 'present phase of the case'.

Minister for Foreign Affairs at first protested that this was absolutely impossible and that I was undoing all that he had achieved by long and arduous efforts. Ultimately he seemed to admit that it would be rather ridiculous if good feeling between Great Britain and Japan were endangered because he refused to say officially what he had said privately. He promised to try to find some solution but added that it was very difficult. Shaw's demand that Court should exculpate him does not seem quite logical, for we deny its jurisdiction and in theory it has no more right to acquit than to condemn.

No. 154

Earl Curzon to Mr. Clive (Peking)

No. 356 Telegraphic [F 2570/2570/10]

FOREIGN OFFICE, *November 4, 1920, 9 p.m.*

Mr. Eriksen¹ is now in London and has approached Eastern Extension and Great Northern Telegraph Companies on behalf of Chinese Telegraph Administration on following lines:

1. To lay a triplicate cable between Hongkong and Shanghai.
2. This cable to touch at Amoy and Foochow *en route*, and to land at Swatow.
3. Advisability of duplicating the Chefoo-Shanghai cable. Administration have already contracted with Japanese firm at Yokohama for manufacture of such cable and request assistance of the Companies for testing and laying it.
4. Loan to Chinese Government of £1,500,000 at 5% in consideration of extension of their present monopoly for further twenty years beyond 1930.

Eastern Extension Company enquire my views pointing out that China has already defaulted on June instalments of their 1911 loan² and that she has no fresh tangible security to offer.

Company have been informed:

1. That on general grounds improved cable communication is to be encouraged.
2. That H.M.G. feel that loan falls within scope of the Consortium, and should be offered to them in the first instance; it was suggested that Company get in touch with Sir C. Addis.³

Before going further Company wish to know our attitude towards proposed extension of their monopoly and state that Japan is anxious to establish her position. This is no doubt true and military importance of keeping present cable predominance in our own hands is obvious.

¹ European Adviser to the Chinese Telegraph Administration.

² For this loan, see *China Year Book*, 1921-2, p. 490.

³ Mr. Clive was informed in Lord Curzon's telegram No. 387 of Nov. 23 to Peking that the proposed loan did 'not fall within the orbit of the Consortium' and that the Chairman of the Eastern Extension Telegraph Company now proposed 'to proceed to negotiate with Chinese Government'. Sir C. Addis was Manager in London of the Hongkong and Shanghai Banking Corporation, and head of the British group in the new China Consortium.

Please telegraph your views fully on whole question and say whether extension of monopolistic clause is open to objection.⁴

⁴ See No. 177 below for Mr. Clive's reply. For previous discussion on this subject, see Vol. VI, Nos. 494 and 714.

No. 155

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 6)

*No. 418 Telegraphic [F 2758/199/23]**

TOKYO, November 5, 1920 [12.15 p.m.]

Your telegram No. 331.¹

A large portion of report desired can be best prepared by Mr. Crowe, who has just gone to China with approval of Department of Overseas Trade. I propose to await his return and hope to send despatch about 20th November.² Following are general lines of report as discussed with Mr. Crowe before his departure:

1. Though Japanese Government follows German system of fostering industries, only cotton industry can be called fairly well organised. Companies consisting of large family groups, such as Mitsui and Suzuki, are a special feature of Japan without exact parallel elsewhere. They are well organised, but object of their organisation is not to develop one industry but to run simultaneously many lines of business such as banking, shipowning, coal-mining and general export and import. Three of these family groups are successful, but many others who imitated them collapsed in recent depression.

2. These three groups have each an important politician attached to them. His chief business is to protect firm, but his presence enables Government to influence it when desired. Mr. Crowe does not, however, think Government have any plan of using activity of these companies in India and elsewhere for political purposes. (See Sir C. Greene's despatch No. 676 of 30th December, 1916.)³ In internal politics Government's influence over them seems slight; for instance,⁴ riots were directly provoked by the cornering operations of one company.

Japan now competes with foreign transport and is endeavouring to become a large carrying, as well as trading, Power in foreign markets.

Mitsui's share in jute business between India and America is an instance.

Though these family firms show correlation in the sense described in your telegram, there is nothing corresponding to American trusts or German cartel system.

3. An exaggerated view seems current in England as to the importance of labour movement in Japan. It is in its infancy, and there are no labour

¹ No. 139.

² Tokyo despatch No. 556 of Nov. 26, not printed; cf. No. 181 below, n. 7.

³ Not printed.

⁴ The text as sent read: 'the rice riots'.

organisations of any weight. Trades union and factory legislation to be introduced next year is of a very ordinary nature (see my despatch No. 490 of 22nd October).³ Strikes in last year were purely wage agitations brought about by rising prices and had little political significance. Further, mass of the population is agricultural under a system of small holdings worked by families, and these are unlikely to organise for political ends. Similarly no fundamental change has taken place in social conditions generally. There is no serious discontent with present system of government, and no indication of more than a gradual change. It is a mistake to think of 'intelligentsia' as dissatisfied, and special conditions which produced revolution in Russia and China do not exist. Despite of [*sic*] changes produced by the war, political and social conditions here are probably more stable than in any European country.

4. Though there is little real democratisation, a certain education of public opinion has taken place in last ten years. Japan's position as one among many nations is better understood; danger of acting arbitrarily and independently in China is realised; public is lukewarm about Siberian enterprises and shows less excitement than was expected about Californian question.⁵ It is by no means clear that any sudden advance towards representative government would promote harmony in international relations, for though the people care little for distant problems like Siberia, a belief in Japan's mission in China is universal, and a more popular Government might express it in a more aggressive form. At present Japan's main object is economic expansion. Middle classes will endorse any policy which aims at accomplishing this by cautious methods, but will not follow the Government in any risky venture. Conduct of Government respecting consortium and Anfu disturbances illustrates this attitude.

⁵ On Nov. 2, 1920, California had passed a land law whereby aliens were prohibited from owning or leasing land: the law was aimed at Japanese immigrants. Cf. *F.R.U.S.* 1920, vol. iii, pp. 1-21.

No. 156

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 7, 9.30 p.m.)

No. 420 Telegraphic [F 2759/56/23]

TOKYO, November 5, 1920 [7.45 p.m.]

Minister for Foreign Affairs asked me to call on him again to-day and discussed Shaw's case at length. He authorised me to send following telegram to Your Lordship.

Minister for Foreign Affairs informs me that according to Japanese law Shaw is at liberty to leave Japanese territory and is not committing a dishonourable act if he does so.

His Excellency added that speaking privately he could assure me that no further proceedings would be taken against Shaw. (Message ends.)

Minister for Foreign Affairs kept a copy of above two paragraphs.

I thanked His Excellency but said that I thought His Majesty's Government would not be satisfied unless bail were returned. If Shaw is allowed to leave Japanese territory bail ought to be replaced by an assurance as indicated in my telegram No. 374 penultimate paragraph,¹ but such an assurance seems hardly necessary if Japanese Government have decided not to prosecute. If bail is not returned it practically amounts to fining Shaw.

Minister for Foreign Affairs agreed but implored me not to press for immediate return of bail. It was impossible, he said, to argue out question of jurisdiction in any measurable time and release on bail was only way of setting Shaw free. Judicial authorities were greatly incensed about whole affair and Shaw would be most foolish if he did not immediately leave Japanese territory seeing that he can do so legally and honourably.

I asked whether bail could not be returned to Consul General as soon as Shaw leaves. Minister for Foreign Affairs said he would do what he could but begged for a little respite.

Repeated to Seoul.

¹ See No. 143, n. 5.

No. 157

Earl Curzon to Sir C. Eliot (Tokyo)

No. 349 Telegraphic [F 2768/56/23]

FOREIGN OFFICE, *November 10, 1920, 5 p.m.*

Your telegram No. 420.¹

I saw the Japanese Ambassador on November 8th who handed me the official reply of Japanese Government to memorandum which I handed to him on September 14th. (See my despatch No. 351.)²

His Excellency said that although Shaw had been released on bail and was at liberty to leave Korea, his Government found utmost difficulty in agreeing to your suggestion that bail should be returned: the legal aspect was all important to them and rendered hurried decision undesirable.

I replied that on the contrary an early solution was imperative. I had already secured postponement of two questions in Parliament with sole object of avoiding unpleasant discussion and in hope that satisfactory settlement might render argumentative statement unnecessary.³ But House of Commons could not be put off indefinitely and would insist on early and explicit reply. Furthermore the Associated British Chambers of Commerce at Shanghai had just announced their intention of taking up the case and they were certain to do so in a manner disagreeable to the Japanese Authorities—so much so indeed that Mr. Clive had deliberately decided to hasten his return from Shanghai to Peking in order not to be present on so embarrassing an occasion.

¹ No. 156.

² Of Sept. 18. This had transmitted a copy of the memorandum referred to, i.e. No. 98.

³ Cf. No. 149, n. 3.

I repeated that this question was arousing an amount of interest, even of passion, in the British Far Eastern community out of all proportion to its intrinsic importance but which might have a disastrous effect upon the discussions that would shortly take place with regard to the renewal of the Anglo-Japanese Alliance. In face of this interest at home and profound and excited anxiety abroad, was it possible to speak of further delay?

His Excellency argued that as Japanese would allow Shaw to leave Korea on bail and did not expect him to return, case would automatically terminate. Nor was there anything in this that Shaw would not accept.

I said a man was best judge of his own honour and I knew Shaw would regard it as a dishonour to himself to purchase release by the forfeiture of his bail. Would the Japanese Government, or any Japanese individual, scrupulous and sensitive on points of honour as I knew them to be, agree being treated thus themselves? His Majesty's Government whilst recognising the excellent motives behind it, could not accept the suggestion. If we admitted that Japanese Courts could exact bail from Shaw it would be an admission that they had jurisdiction which from the start we had denied.

I pressed His Excellency that only real and satisfactory solution was prompt settlement by return of bail to Shaw. It was deplorable that at a time when we were co-operating on great issues, our Governments should quarrel on so petty an affair and that Japanese Government should take their stand on a platform which altogether ignored the political and sentimental aspects. I urged that Japanese Government should settle the matter at once on the lines I had indicated.

His Excellency undertook [to] report at once to his Government what I had said.

Repeat to Peking.

No. 158

Mr. Clive (Peking) to Earl Curzon (Received November 12, 3.15 p.m.)

No. 475 Telegraphic [F 2797/2358/10]

PEKING, November 11, 1920, 2 p.m.

My telegram No. 448.¹

From reports by Canadian Missionaries in Chientao to His Majesty's Consul General at Mukden it seems clear Japanese while taking no apparent action against brigands have been quite ruthless towards local Koreans. They are stated, apparently on reliable authority, to have burnt churches, schools (including a large college for 300 boys supported partly by Canadian funds), raided houses and to have shot peaceable (? villagers) throughout the district.

Minister for Foreign Affairs told me however yesterday that Japanese Government had now offered to withdraw their troops on conditions that:

¹ No. 142.

1. Chinese properly garrisoned the district.
2. Made themselves responsible for Japanese life and property.
3. Chinese Government admitted right of Japanese to send in troops again should further outrages occur.

Minister for Foreign Affairs agreed to conditions 1 and 2, but absolutely declined to accept condition 3.

I pointed out that Japanese conditions were not unreasonable as basis for arriving at settlement and expressed hope that Chinese would not delay coming to terms.

Minister for Foreign Affairs said that popular feeling was very much roused against Japanese proceedings in Chientao.

Repeated to Tokio.

No. 159

Earl Curzon to Sir C. Eliot (Tokyo)

No. 352 Telegraphic [F 2761/193/23]

Confidential

FOREIGN OFFICE, *November 14, 1920, 6 p.m.*

Your telegram No. 361 (Invitation to British Mission to train Japanese naval aviators).¹

Matter was discussed at an inter-Departmental conference² at which it was decided that naval disadvantages outweighed possible political and commercial advantages. Mission if sent would have to impart our specially acquired knowledge without reservation.

Japanese Ambassador has accordingly been informed that His Majesty's Government much regret that in view of large commitments of Royal Air Force and of much reduced numbers, it would be impossible at present time to spare necessary number of trained officers though civil aviation mission could probably be sent if desired.

¹ Of Sept. 22, not printed. In this telegram Sir C. Eliot had reported that the Japanese Naval Attaché in London was 'negotiating for the engagement of thirty British aviation officers and men to instruct Japanese Navy in sea flying'. Sir C. Eliot had urged that such an arrangement was 'most desirable not only from political and technical, but also from business point of view.'

² On Oct. 15.

No. 160

Earl Curzon to Mr. Clive (Peking)

No. 367 Telegraphic [F 2786/2/10]

FOREIGN OFFICE, *November 14, 1920, 10.30 p.m.*

Consortium

British group have now communicated text of Resolutions and Consortium Agreement adopted at New York¹ and request approval of His Majesty's Government.

¹ At the Consortium conferences held there Oct. 11-15. For the minutes of these conferences see *F.R.U.S. 1920*, vol. i, pp. 581-9. The agreement signed on Oct. 15 is printed as No. 39 in *Cmd. 1214* of 1921.

Chief Resolutions are to following effect:

Resolution III. Confirmation of Minutes of Paris meetings of May 11th and May 12th, 1919,² subject to certain amendments of principal [*sic*] of which you are already aware from confidential print.

Resolution V. Approval of entry of Belgian group, such group's share to be one ninth.

Resolution VI. Italian application for entry postponed for further consideration.

Resolution VII. 'to welcome the cooperation of a Chinese group forming a representative national unit and prepared to undertake the obligations involved, and that the Peking representative of the Consortium be instructed to convey the terms of this resolution to the Ministries of Finance and Communications'.

Resolution VIII. Pooled loan agreements to revert to original concessionaires on expiration of Consortium if no action taken.

Resolution X. Pooling of Hukuang (second series and further loan), Re-organisation (further loan), Currency Reform 1911, Pukow-Sinyang 1913, Nanking-Hunan 1914, Jehol-Taonan, Tsinan-Shunteh, Kaomi-Hsuchow, Chinchow-Aigun 1910, five American Railway Concessions of 1916, Grand Canal Improvement 1917, Continental Bank 1919, Pacific Development 1919.

Resolution XI. Land Tax noted as possible future security.

Resolution XII. Peking group representatives to report on prospects of silver loan in China.

Resolution XIII. Principle that no group which has failed to make individual contribution to the pool shall be entitled to share in individual contributions of others.

Resolution XVI. China invited to recognise entire issue of Hukuang bonds without distinction.

Resolution XVII. Completion of Canton-Hankow line to be first aim. New agreement to be negotiated with China on satisfactory terms and sufficient funds provided for 18 months requirements, say silver \$20,000,000 of which two thirds to be gold bonds and one third silver bonds, latter to be issued in China.

Ultimate unification of Chinese Government railways to be kept in view by Consortium and problem of construction to be treated as a whole and not sectionally. Consortium would welcome formation by Ministry of Communications of a standing Committee including the group representatives to supervise construction and operations of lines financed by Consortium.

Resolution XVIII. Groups, except Japanese who pleaded no instructions, agreed to consider loan of gold \$10,000,000 to Chinese Eastern Railway on proper security and stabilisation of their representative on Technical Board.

Resolution XX. Approval of Resolutions necessary by Governments of respective groups.

Text of Resolutions will be sent by bag,³ but meanwhile you should

² See *ibid.*, No. 11.

³ Under cover of despatch No. 693 of Dec. 15, not printed.

communicate with American Minister who will no doubt receive them earlier, and draw up with him suitable draft of note to Chinese Government acquainting them with arrangements made by Consortium and asking their consent. You should wire me text of proposed note⁴ in order that I may discuss it with all four Governments concerned and arrange for identic and simultaneous action.

In informing British group of my approval of Resolutions I shall point out that Resolution XVI touches matter on which Chinese Government are within their rights, but should China of her own free will fall in with views of Consortium, His Majesty's Government have nothing further to say.

⁴ See No. 171 below.

No. 161

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 17, 11.50 a.m.)

No. 427 Telegraphic [F 2842/2559/23]

Confidential

TOKYO, November 15, 1920 [10 p.m.]

Your telegram 347.¹

I consulted Mr. Musgrave² as to whether Mr. Weatherbe should be mentioned and he demurred on ground that it was desired to keep enterprise entirely secret at present.

I accordingly made a general protest this morning on lines indicated in your telegram informing Minister for Foreign Affairs that I should send him a note to same effect.

Minister for Foreign Affairs said that regulations against which I protested had been issued in order to prevent Russians from alienating large tracts of land with object of obtaining foreign and especially American protection, but that any application from, or on behalf of, a *bonafide* British commercial enterprise would receive due consideration.

In view of Mr. Musgrave's objections it is difficult to take further steps but I do not understand reason for this secrecy for in all probability Japanese Government are fully informed as to his projects.³

¹ Of Nov. 10, not printed; see No. 146, n. 3. This telegram had also given Sir C. Eliot discretion whether to mention Mr. Weatherbe specifically 'or to lodge the protest on grounds of British enterprise generally'.

² Mr. R. Musgrave, Mr. Weatherbe's representative at Vladivostok; see No. 91.

³ In his telegram No. 487 of Nov. 18 (not printed), referring to the foregoing, Mr. Clive stated that British interests were now entirely represented by the Kailan Mining Administration, whose representative in China considered it desirable not to make any specific mention of their interest for the moment.

*Sir A. Geddes (Washington) to Earl Curzon (Received November 16)*¹

*No. 769 Telegraphic [F 2838/199/23]**

Very secret

WASHINGTON, November 15, 1920

Your despatch No. 1183,² and my telegram No. 746.³ Renewal of Anglo-Japanese Alliance.

This matter has been discussed in my presence at various times by a considerable number of prominent American newspaper proprietors, editors, business men and politicians, including the Secretary of State, the Assistant Secretary of State, Mr. Elihu Root, and I have myself informally raised the question with various friends in different parts of the country. The impression left in my mind is that representative American opinion is almost unanimously suspicious of Japan, but recognises that her position is one of great difficulty owing to the expansion of her population, her shortage of raw material and her limited territory.

Americans undoubtedly wish to avoid a serious clash with Japan, but are determined to prevent Japanese settlement on American soil. I have no doubt that the majority of sober-minded Americans would welcome an exchange of identic notes between Britain, America and Japan, affirming the nations' adherence to the policy of the open door in China, and simultaneously the conclusion of an Anglo-American understanding that the two countries will each maintain such naval forces in the Pacific as will collectively outnumber or at least outclass the naval forces of Japan.

There is, however, little chance of the Senate agreeing to anything of the nature of an Anglo-American alliance, and I do not believe that America could be relied upon to stand indefinitely or for many years by any informal undertakings entered into by the executive unless it were clearly to her interest to do so. Even if a formal treaty were made, it would in all probability not bind American action longer than her interest appeared to be served by it, so that there is not much difference in effect between a treaty with America and an understanding.

I believe, however, that an understanding entered into by a President will be observed by him to the close of his period of office, so that if an agreement with regard to Far Eastern policy and naval strengths in the Pacific could be made with the new Administration early in their term of office⁴ it would substantially have four years' validity attaching to it so far as diplomatic action is concerned.

That seems to be the most that could be hoped for in present circumstances.

On the other hand, American public opinion will undoubtedly be really

¹ The text here printed appears to be that sent by bag on Dec. 9 and received on Dec. 22; that originally despatched was corrupt as received.

² Of Oct. 16, not printed.

³ Of Nov. 2, not printed.

⁴ Polling in the U.S. Presidential election on Nov. 2 had resulted in the defeat of the Democratic candidate and the victory of the Republican, Senator Warren G. Harding.

hostile to any renewal of an Anglo-Japanese alliance, unless the alliance be so watered down as to be practically meaningless. It is doubtful, however, if this hostility will add much strength to the oil, the Irish and the other anti-British factions, and there is no doubt in my mind that the existence of the Anglo-Japanese alliance has the effect of making even the most virulent anti-British agitators in America a little chary about seeking to push their hostile ambitions to extremes.

I anticipate considerable difficulty in dealing with the new Administration, and I should regard a decision taken now definitely not to renew the Japanese alliance as premature, unless we are prepared to accept the position that absence of friction with America is the first of our international objects, but in that case we must be prepared to be called upon to give way on every question that America cares to raise.

On balance of considerations, I venture to recommend that the Anglo-Japanese Treaty be renewed, but modified to bring it into harmony with the League of Nations Covenant, without a military clause and without an adhesion clause. The parties to the treaty should be limited to ourselves and Japan. The term of renewal should be limited to four years to coincide in duration with the term of the American Presidency. We should then endeavour to secure agreement with America to expire on the same date as the treaty. The agreement should be in some form not requiring ratification by the Senate. We should then aim to engage America, President by President, for so long as we consider it desirable or until the temper of the Senate changes.

No. 163

Earl Curzon to Mr. Clive (Peking)

No. 371 Telegraphic [F 2802/1/10]

FOREIGN OFFICE, *November 16, 1920, 9 p.m.*

Your telegram No. 409.¹

I have so far refrained from making renewed representations to Italian Government in hope that Vickers' aeroplane incident² might meanwhile find a solution.

Though I fully concur in desirability of getting Italy definitely into line on arms embargo, I hesitate to take any action which might invite retort as to aeroplanes. Quite apart from this, I am not convinced of the wisdom of threat in final paragraph of your telegram No. 409.³ Last thing we desire is

¹ Of Sept. 23, not printed. This transmitted the text of a telegram which the British French, U.S., and Japanese representatives in Peking had agreed to send to their respective governments concerning the presence at Shanhaikuan of 'a very large stock of Italian munitions of war' and the consequent danger to the arms embargo. The telegram urged that 'a pressing invitation' should be extended to the Italian Government 'formally to renew' its previous assurances concerning the embargo. For a text of the telegram, see *F.R.U.S.* 1920, vol. i, pp. 749-50.

² See Nos. 128 and 138.

³ This paragraph read: 'Failing such assurances it is to be feared that Governments may feel justified in resuming their liberty of action.'

that door should again be thrown open to unrestricted traffic in arms. I request your observations.

First part of your telegram No. 409 was very corrupt. Please repeat.

No. 164

Earl Curzon to Mr. Clive (Peking)

No. 379 Telegraphic [F 2858/2/10]

FOREIGN OFFICE, *November 19, 1920, 9 p.m.*

Your telegram No. 484.¹

No announcement will be published here on November 20th (see my telegram No. 1241 to Paris)² in view of state of public opinion in China which you report.³ I have urged American and Japanese Embassies and French Government to refrain likewise from all publication until the situation clears.⁴

Japanese Embassy had applied for consent to publication by Japanese Government of documents showing genesis and formation of Consortium, including all papers already communicated to Chinese Government. In view of your observations they have been informed that we consider such publication inopportune.

Repeat to Tokio.

Repeated to Washington No. 865 and Paris No. 1245.

¹ Of Nov. 16, not printed.

² Of Nov. 17, not printed. This had communicated the text of an announcement which H.M.G. had proposed to make respecting the China Consortium at the request of the U.S. Government and with the concurrence of the Japanese Government.

³ In his telegram No. 484 (see n. 1) Mr. Clive had reported that 'a strong public campaign of opposition to new consortium' was being carried on in China and that the Chinese Government 'sympathise with, even if they are not actually supporting, this campaign. . . . In the circumstances I consider least said in public about consortium the better'. Cf. *F.R.U.S. 1920*, vol. i, pp. 596-7.

⁴ In letters of Nov. 19 to the U.S. and Japanese Embassies, and in telegram No. 1243 to Paris of the same date instructing Lord Derby. The agreement of the French Government to suspend publication was conveyed in a note, dated Dec. 7, from the French Ministry of Foreign Affairs to the British Embassy.

No. 165

Earl Curzon to Sir C. Eliot (Tokyo)

No. 356 Telegraphic [F 2879/56/23]

FOREIGN OFFICE, *November 23, 1920, 2.30 p.m.*

Your telegram No. 430.¹

I have to-day addressed urgent Note to Japanese Ambassador referring

¹ Of Nov. 17, not printed. In this Sir C. Eliot reported having been shown by the Japanese Minister for Foreign Affairs 'a draft note offering to pay me Yen 1,500 on behalf of Shaw. All reference to return of bail was intentionally omitted and draft closed by saying that arrangement was not to be made public by either Government.' Sir C. Eliot had replied that he thought no arrangement which could not be made public would be of any use.

to my conversation of November 8th and pressing for reply of Japanese Government to my request for prompt settlement of the case by the return of bail to Shaw.²

I have pointed out that His Majesty's Government are being still pressed in Parliament³ and that we cannot continue indefinitely to urge patience upon Members of Parliament who would be within their rights in insisting, despite any views His Majesty's Government may hold, upon bringing matter up forthwith for public discussion.

Repeat to Peking.

² This note is not printed. See No. 157 for the conversation of Nov. 8.

³ By this time four questions in the House of Commons relating to Mr. Shaw had been postponed; cf. Nos. 149 and 157.

No. 166

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 26, 12.30 p.m.)

No. 439 Telegraphic [F 2942/2358/10]

TOKYO, November 24, 1920 [12.20 p.m.]

Peking telegram 475¹ and other correspondence about action of Japanese troops in Chientao.

I have repeatedly drawn attention of Minister for Foreign Affairs to rumours about burning of churches and destruction of missionary property and warned him of deplorable effect on British public opinion should they prove true.² He assures me that strictest instructions have been sent to prevent such incidents.

¹ No. 158.

² In his despatch No. 591 of Dec. 16 (not printed) Sir C. Eliot reported that: 'The accounts of the destruction of churches, school houses and other buildings belonging to Christians furnished by members of the Canadian Presbyterian Mission . . . were published practically in full in the "Japan Advertiser" on the 1st instant.'

No. 167

Earl Curzon to Mr. Clive (Peking)

No. 388 Telegraphic [F 2901/33/10]

Confidential

FOREIGN OFFICE, November 24, 1920, 12.35 p.m.

Your telegram No. 467.¹

Following telegram sent to British Delegates at Geneva:²

'Chinese Minister called at Foreign Office on November 12th and an-

¹ Of Nov. 2, not printed.

² On Nov. 19, from Sir M. Hankey, Secretary to the Cabinet, to the British Delegates to the first meeting of the Assembly of the League of Nations, held in Geneva Nov. 15-Dec. 18, 1920.

nounced that his Government proposed to raise question of Shantung at present meeting of the League. Chinese Govt. hoped that His Majesty's Govt. would no longer refuse them their support in their contentions as against Japan. They recognised that His Majesty's Govt. had been pledged to support Japan at Versailles, but they thought that pledge need not fetter our liberty of action with the League. The Minister was informed in reply that it was not possible to state without further consideration what our attitude would be if the question were raised at Geneva. The Chinese Delegate should place himself in communication with his British colleagues.

'After reviewing all the circumstances and having regard to scant consideration given to China's case at Versailles in 1919, it will be justifiable to claim liberty of action should the question come up for discussion before the League. You should be careful, therefore, to avoid any action which might be construed as committing us to support of any arguments Japan may now adduce.

'Our pledge to Japan in 1917 and action at Versailles in 1919 dictated as they were by necessity have undoubtedly affected British prestige in China very adversely. We must avoid any action calculated to prevent China from at least obtaining the fair hearing before the League to which she is in equity entitled.'³

³ In an amplifying memorandum of Nov. 26, drawn up for 'the general information and guidance' of the British Delegation at Geneva and forwarded to them through the Cabinet Office on Nov. 29, Lord Curzon made the following observations:

'China's line of argument may be expected to be somewhat as follows:

'(a.) On China's declaring war upon Germany in August 1917 all the rights of the German Government in China, including her ninety-nine years' lease of Kiaochow, became null and void. She will be able to point to the text of paragraph 6 of her declaration of war of the 14th August, which runs as follows:

"In consequence thereof, all treaties, agreements and conventions heretofore concluded between China and Germany and between China and Austria-Hungary, as well as such parts of the international protocols and international agreements as concern only the relations between China and Germany and between China and Austria-Hungary, are, in conformity with the law of nations and international practice, hereby abrogated."

'(b.) China can claim that the Powers have not disputed her point of view in other parts of China, *e.g.*, at Hankow and Tien-tsin, where on the outbreak of war she at once took over the ex-German residential concessions. The fact that the Treaty of Versailles later specifically assigned these concessions to China is, so China may argue, beside the point. She did not sign that treaty herself, and it was not through its instrumentality that she got back these concessions in Hankow and Tien-tsin, both of which she reoccupied long before the Treaty of Versailles was signed.

'(c.) Though under duress China in 1915 gave Japan a formal undertaking to recognise the eventual transfer to Japan by Germany of the latter's rights in the province of Shantung, she may argue that this undertaking ceased to hold good when she entered into the war as one of the Allies, as, in virtue of that act, Germany in August 1917 lost all her rights in China. It follows that both her undertaking to Japan of 1915 and the Shantung clauses of the Treaty of Versailles (which she has never recognised) deal with a set of circumstances that were no longer existent in 1919, when the treaty was signed.

'6. Whatever the merits of China's case, the British delegates will do well to keep in mind

You should send copy of above to His Majesty's Ambassador at Tokyo by first safe opportunity.

the question of expediency from the point of view of British interests. The Chinese people are aroused to an intensity of feeling bordering on passion over the Shantung question, and it would be most desirable if Great Britain could avoid incurring further odium in connection with it. An anti-British boycott seemed not impossible in 1919, when our assurances to Japan of February 1917 were first published to the world at Versailles, and His Majesty's Government are justifiably apprehensive of running a similar risk a second time through any incautious action at Geneva. [For the secret agreement of 1917 between Japan and Great Britain see Vol. VI, Chap. II, Introduction (pp. 562-3).]

'7. The attitude of America has an important bearing upon the Shantung question. Although she is not a member of the League, yet the Assembly will appreciate the fact that, with the return of the Republicans to power in the United States, a more vigorous interest in the Shantung issue on the part of America may be anticipated.

'8. The attitude of the British delegates should be one of sympathy towards any proposals or suggestions that the Chinese delegation may bring forward with a view to a settlement of the question by a friendly arrangement between the parties most directly interested—that is, China and Japan—rather than one of insistence on a clear-cut decision as to the theoretical justification of the claims advanced on either side by the parties.'

In a minute on the file, dated Nov. 10, Lord Curzon recorded that he 'was the only person in Cabinet who opposed the decision of Feb. 1917 which was strongly urged by Mr. Balfour' (then Foreign Secretary).

No. 168

Mr. Clive (Peking) to Earl Curzon (Received November 25, 7.25 p.m.)

No. 497 Telegraphic [F 2936/1/10]

PEKING, November 24, 1920, 5 p.m.

My telegram No. 461¹ and previous correspondence.²

Changtsolin has now as result of representations returned four training machines and is prepared to negotiate with Central Government (? whom I) continue to press regarding remainder. I may add that owing to careless packing most of machines he still has are now useless for flying. Position may be briefly summed up as follows:

1. We can continue to refuse to allow Vickers to furnish funds from five hundred thousand pounds for development of aviation, hold Chinese Government responsible for repayment of advance so far made, and admit failure of first attempt at establishing commercial aviation in China.

2. Make a fresh start with machines returned and those now in Chinese ports and on the way.

In justification of latter alternative I would mention following points:

¹ Of Oct. 29, not printed. In this telegram Mr. Clive had reported that all representations to the Chinese Government had proved futile, since they were powerless. He also reported that the commander of the Kwantung troops now attacking Canton was using 'American Curtiss machines, from which recently a bomb nearly hit His Majesty's Consul-general'.

² Cf. Nos. 128, 131 and 138.

- (a) Chinese Government have at last agreed to certain proposals made by Colonel Holt for commercial aerial routes.
- (b) Recalcitrant military Governors at Mukden and Tientsin have modified their attitude of opposition to possession of aeroplanes by Central Government in Peking.
- (c) Central Government have at length been made to realise that His Majesty's Legation, with approval of His Majesty's Government, will strictly oppose all attempts to use machines for military purposes.
- (d) Aviation Department have consented to Committee with Colonel Holt and Vickers' agent on it to supervise and control expenditure.

In the circumstances having gone thoroughly into whole position I would deprecate alternative 1, although admittedly Chinese Government, when aeroplanes contract was signed, had not thought of commercial aviation and their preparation (? in the matter) may still be open question while their control of military governors is merely nominal, yet I venture to hope your Lordship will agree to alternative 2. Should worst happen and Chinese Government break all their promises as soon as there are sufficient number of trained pilots and use machines for military purposes it must be remembered that at least a year will be required to train pilots. But I think it would be unfair to anticipate worst.

If alternative 2 is agreed upon funds are essential for development and I hope Your Lordship will consent to Vickers' agent here receiving authority for which he has applied to London office to draw on special account for next three months up to 200,000 dollars.³

³ In his telegram No. 418 of Dec. 10 (not printed) Lord Curzon informed Mr. Clive that, 'after consultation with the Air Ministry', his alternative 2 was approved and that Messrs. Vickers had 'been informed that there was no objection to release of additional sum of \$200,000'.

No. 169

Mr. Clive (Peking) to Earl Curzon (Received November 25, 3.30 p.m.)

No. 498 Telegraphic [F 2937/1/10]

Confidential

PEKING, November 24, 1920, 5 p.m.

My immediately preceding telegram.¹

I have obtained privately text of telegram sent by State Department to United States Minister here on September 17th. My informant is satisfied as to sense conveyed even if wording is not identical with original.²

(Begins.) Although Department has in general always placed as strict an interpretation as it well could on agreement covering embargo on shipment of arms to China and at the same time had hoped that materials of any nature which might be converted into military uses would be included in such embargo, yet in view of fact that other Governments have not same

¹ No. 168.

² For the original wording, see *F.R.U.S. 1920*, vol. i, p. 748.

views on the subject and are willing to permit and do permit their nationals to enter into contracts for importation of aeroplanes into China for commercial purposes, United States Government does not feel itself justified in the circumstances in objecting to its nationals entering into like contracts for supply of aeroplanes provided such aeroplanes are designed and built for strictly commercial purposes. (Ends.)

This I venture to think provides additional argument against alternative one in my immediately preceding telegram.

No. 170

Mr. Clive (Peking) to Earl Curzon (Received November 25)

*No. 499 Telegraphic [F 2933/1/10]**

PEKING, November 24, 1920

Your telegrams Nos. 371¹ and 377.²

My telegram No. 409³ was sent after a meeting called at instance of United States Minister, who produced first draft of telegram.

Japanese Minister said he was just as embarrassed by Italian action, and wording of last paragraph was due to his initiative. (See postscript to my despatch No. 646A of 20th September.)⁴

I have received telegram from Canton that American ship is due this week at Whampoa from New York with machinery for Canton arsenal, ordered by late Military Governor but taken over by present one. Although machinery hardly comes within 'arms, ammunition and munitions of war' specified in our regulations, this import, combined with American aeroplanes used in recent fighting in South China, may possibly explain absence of instructions to United States Ambassador at Rome. I have spoken to Secretary of United States Legation on the subject, and he is telegraphing to Canton for information. He could not explain absence of instructions to United States Ambassador, Rome, but assured me that United States Minister was opposed to any relaxation of embargo. I fear, however, that if no action is taken in Rome, Japanese Government may 'feel justified in resuming their liberty of action.' Hence I feel strongly it would be very advisable if interested Powers could reaffirm their adherence to embargo.

As regards Vickers' aeroplane incident (see my telegram No. 461),⁵ fact that some of machines have been seized by Military Governors who are incapable of using them constitutes in itself no infringement of arms embargo agreement.

¹ No. 163.

² Of Nov. 19, not printed. This repeated to Peking Rome telegram No. 505, which reported that the French and Japanese Ambassadors had instructions to make representations about the maintenance of the arms embargo to the Italian Government as soon as their British colleague was authorized to do so, but that the U.S. Ambassador was without instructions.

³ Of Sept. 23, not printed; cf. No. 163, nn. 1 and 3.

⁴ Not printed.

⁵ Of Oct. 29, not printed; see No. 168, n. 1.

No. 171

Mr. Clive (Peking) to Earl Curzon (Received November 26, 11.30 a.m.)
No. 502 Telegraphic [F 2943/2/10]

PEKING, November 24, 1920, 10.20 p.m.

Your telegram No. 367.¹

Instructions received by American, French and Japanese representatives are merely to notify Chinese Government that consortium has now been organised with approval of four Governments.²

If you agree therefore we could at once send in note in following terms:

‘Undersigned representatives of America, Great Britain, France and Japan have the honour to inform Your Excellency that agreement on lines tentatively adopted in May 1919 at Paris by representatives of investing public of countries above-mentioned, covering formation of a new consortium for assisting China by provision of capital required for construction of works has been now confirmed at New York by signatures of duly accredited representatives of four banking groups and that this international association thus coming into existence under name of consortium has received full approval of the four Governments interested.’

This note would be complementary to identic note of September 28th,³ and I would suggest that New York resolutions should be later on communicated by group of representatives here to Ministry of Finance and (? Ministry of) Communications when moment seems opportune. I think however it should be left to their discretion whether to include resolution 11 regarding land deputies.⁴

¹ No. 160.

² See *F.R.U.S.* 1920, vol. i, p. 597.

³ See No. 118.

⁴ In the Foreign Office it was suggested that ‘deputies’ should be ‘tax’. In his telegram No. 412 of Dec. 6 (not printed) Lord Curzon stated that he had informed the British group that he was ‘approving the terms of the draft note to the Chinese Government proposed in your telegram No. 502, but that I think, if the other three Governments agree, a paragraph might with advantage be added that when the actual text of the consortium agreement and resolutions reaches Peking a further communication will be made by the Legations’.

No. 172

Brigadier-General Wilson¹ (Geneva) to Earl Curzon
(Received November 26)

*No. 25 Telegraphic [F 2947/33/10]**

GENEVA, November 26, 1920

Following for Sir M. Hankey from Mr. Balfour:²

‘Your telegram of 19th November.’³

¹ Brig.-Gen. S. H. Wilson, Secretary to the British Empire Delegation to the First Assembly of the League of Nations.

² Lord President of the Council and Leader of the British Empire Delegation at Geneva.

³ See No. 167.

'So far Chinese delegate, with whom I am in constant touch on other subjects, had (*sic*) made no reference to Shantung.⁴ This is fortunate, for Foreign Office telegram leaves me in considerable perplexity. Taken in its most obvious sense, it seems to suggest—

'1. That British delegation should assent to a modification in Treaty of Versailles. This would, I think, be not [?most] unfortunate, seeing that Assembly has so far assumed that this treaty is not to be touched—at least, during present session.

'2. That modification should take the form of throwing over Japanese and withdrawing from position we took up in 1917, when their assistance was deemed important for conduct of war. How this reversal of policy is to be justified I am at a loss to understand. Please send me further arguments. The only ground given in your telegram is that we have lost prestige in China by carrying out our engagements to Japan. Whether we shall regain prestige by now breaking those engagements seems to me to be more than doubtful. What is certain is that we shall lose all our prestige in Japan.

'3. I may have some difficulties with Japanese over C. mandates. These will certainly not be lightened if we have laid ourselves open to charge of bad faith.

'I do not agree that scant consideration was given to Chinese case at Versailles. Please send me any information with regard to—

'(a.) Any arrangements made at Paris in 1919 which are not contained in printed treaty; and

'(b.) Any information with regard to misuse which Japanese have made of their treaty rights.'

⁴ At the 30th Plenary meeting of the First Assembly of the League of Nations, on Dec. 18, 1920, the Chinese Delegate, Dr. Koo, said that he reserved the right to bring before the Assembly at a more appropriate time a number of questions in which China was particularly interested. For this statement, see *League of Nations, Records of the First Assembly, Plenary Meetings* (Geneva, 1920), p. 711.

No. 173

Sir C. Eliot (Tokyo) to Earl Curzon (Received November 28, 10.20 p.m.)

No. 446 Telegraphic [N 3331/234/57]

TOKYO, November [26], 1920

Vladivostock telegram No. 128.¹

I venture to support Mr. Paton's views of danger at Vladivostock and think it would be well to send man-of-war there.

¹ Of Nov. 25, not printed. In this, Mr. Paton had referred to the danger to British subjects and property 'in the event of excesses being committed by Communists'.

No. 174

Earl Curzon to Mr. Clive (Peking)
*No. 399 Telegraphic [F 2964/2964/10]**

Secret

FOREIGN OFFICE, *November 27, 1920, 7 p.m.*

Reuter telegram from Peking of 3rd November reports announcement by Chinese Government of decision to cancel Sino-Japanese military agreement¹ and disband the soldiery.

Have you any confirmation?

From authoritative source I gather that there is in fact such intention, but that stationing of Japanese troops along Chinese Eastern Railway will be dealt with as a separate question.²

¹ See No. 13, n. 3.

² In his telegram No. 42 of Jan. 29, 1921 (not printed) Sir B. Alston reported that notes were to be exchanged that day by the Japanese Minister at Peking and the Chinese Government placing on record the cancellation of the Sino-Japanese naval and military agreements of 1918-19. He had been informed that the question of the withdrawal of Japanese troops from the Chinese Eastern Railway had been reserved. For the text of these notes, see MacMurray, *Treaties and Agreements with and concerning China, 1919-1929* (Washington, 1929), pp. 45-47.

No. 175

Sir A. Geddes (Washington) to Earl Curzon (Received December 14)
No. 1385 [F 3202/199/23]

Secret

WASHINGTON, *December 3, 1920*

My Lord,

At your request I have already, in my telegram No. 769,¹ informed you of my views with regard to the question of renewal or non-renewal of the Anglo-Japanese alliance. I desire in this despatch to add an expression of some considerations which appear to me to be not without importance.

Japan may not have proved to be an ideal Ally, but it is doubtful if America would be more easy to work with in double harness, at least in her present frame of mind. As I pointed out in my despatch No. 1260 of the 18th October,² America is intensely dissatisfied with her own national record since the day of armistice and is almost hysterical in her efforts to justify herself to herself and to prove to her own satisfaction that she is a greater power than the British Empire. As the adoption of the Eighteenth Amendment to the American Constitution showed,³ her unwieldy population is open to be coerced by a determined minority not too nice in its choice of methods. This is a weakness which we must not overlook, for there is a determined anti-British minority in America which knows no scruple and this minority in the words of one of its leaders, Mr. Martin J. Gillan, has determined that the time has come when 'Brother Jonathan must take John Bull by the throat

¹ No. 162.

² Not printed.

³ i.e. the amendment of Jan. 1919 which introduced prohibition.

and force him to disgorge' Ireland of course but also sea power and anything else America may fancy, principally the British West Indies, the resources of Canada and more recently Australia.

For this reason among others I think that it is eminently desirable that there should be no break between ourselves and Japan. The mere existence of an Anglo-Japanese link makes even the most hot headed anti-British American pause when he thinks of pushing matters to extremes.

The great majority of Americans, while they are at present ashamed of their own record, are not anti-British. They do not object to, but admire Britain. There is, however, behind their admiration no driving force comparable with the dynamic hate of the anti-British minority. But the majority so far has normally been represented in the Presidential Chair by some individual in the main like the average easy-going majority American in his view of Great Britain.

To me therefore it seems essential that we should strive to get each new President committed to general co-operation with us early in his Presidential term, for once pledged the average President will stand by his pledge. This is really our only safeguard because, though political power in America is at Presidential election time in the hands of the majority, between elections it appears to be in those of the minority, and this appearance may easily sway a weak and unpledged President. This is a misfortune, but it appears to be inevitable in a country with a Constitution and population like those of the United States. It means that at least until the Irish question is out of the way and the hot temper of the American-Irish partizans has had time to cool, we shall have to be content, if we desire to co-operate with America and to have her co-operation, to base our policy upon a theory of co-operation with America's Presidents. I at least see no immediate escape from this conclusion.

A further peculiarity of the country is this: in the minds of a majority of Americans there is only one foreign Power which seriously competes with them. This they call England and conveniently ignore the United Kingdom and the Empire. Anything therefore that goes wrong in America's foreign policy, foreign trade or whatever it may be, is easily presented as a result of England's craft or bad faith. For a minority of Americans there are two foreign Powers of importance—England, from which America won its independence by force of arms, and the one in which their own ancestors lived, Germany, Italy, Greece, whatever country it may be. This ancestor land they naturally see in a rosy light. To these too England is easily represented as the hinderer and hamperer.

This peculiarity has to my mind the importance that if we adopt a policy based upon an intention to co-operate with America's Presidents we shall require before each Presidential election to seek to the limit of our power to avoid any action which could give the anti-British minority material likely to inflame even a temporary sense of anti-British irritation in the minds of the more easy-going majority, under possible penalty of having an avowed anti-British President elected.

I venture to lay some stress upon this point because I believe that the price of Anglo-American co-operation in the nearer future would be the introduction into British foreign policy of a periodicity determined by the recurring Presidential elections and not only should we have to adopt such a periodicity for ourselves but we should have to seek to impose it on any nation with which we are also co-operating.

The more I study this question the more convinced I feel that, even if the United States enter the League of Nations, her periodicity will have to be allowed for by the nations that seek to co-operate with her. This is the result of America's antiquated constitution in combination with her people's abysmal [*sic*] ignorance of world affairs and of their having no considered foreign policy or even any body of accepted doctrine in the field of international affairs other than the avoidance of 'entangling alliances' and the support of the Monroe Doctrine.

I believe that for a period of years it will remain an important British interest to secure co-operation with America even at the price of introducing some periodicity into our own policies, but it would be a high and I believe unnecessary price to pay to purchase it at the cost of Japanese enmity.

These are some of the special considerations which helped to determine the recommendations which I have already submitted to your Lordship.

I have, &c.

A. C. GEDDES

No. 176

Sir C. Eliot (Tokyo) to Earl Curzon (Received December 10, 1 p.m.)

No. 458 Telegraphic [F 3162/560/23]

TOKYO, December 7, 1920, 8.20 p.m.

Naval Attaché informs me that, according to orders which have just been issued, active sea-going strength of Japanese fleet has been practically reduced by half. All effective ships, however, will be kept ready for immediate service with full complements on board. Naval Attaché considers that this policy is due to need of economizing fuel and reducing refits and repairs to a minimum so that all skilled labour may be available for employment on new construction.

I understand meaning of these orders to be that no naval activity is contemplated in near future but that every effort is being made to execute rapidly shipbuilding programme reported by Naval Attaché.¹

¹ The text as sent read: 'by Naval Attaché to Admiralty'. For a report on the Japanese naval estimates for 1920-21, see Vol. VI, enclosure in No. 774.

Mr. Clive (Peking) to Earl Curzon (Received December 10, 4 p.m.)

No. 521 Telegraphic [F 3166/2570/10]

PEKING, December 8, 1920, 1.40 p.m.

Your telegrams Nos. 356¹ and 387.²

Commercial value of extension of present cable monopoly, is a question for Companies to decide, bearing in mind the present conditions necessary for³ increased cable and wireless facilities in China, that wireless station at Swatow is already under consideration by Chinese administration and that there is no further security available for proposed loan beyond present share in joint . . . of revenue.⁴ Politically extension of monopoly is desirable and probably essential if we desire to retain our position in regard to telegraphic matters in China. Our former position has been seriously impaired by Japanese competition as reported in Peking despatches No. 261 of June 27th 1913⁵ and recent action of Chinese administration in purchasing unsuitable cable from Japan on the advice of their Japanese employés and against the advice of Cable Companies, illustrates the determination of Japan to take full advantage of privileged position secured by her, under a loan agreement of April 30th 1918.⁶

Any extension of Cable monopoly must, however, take into consideration present day requirements of the commercial community in China which call for wireless and cable facilities and such monopoly must so operate as not to preclude development of wireless by Chinese Government under British auspices. Recent conference of British Chamber of Commerce Shanghai discussed question of wireless facilities and present opportunity would seem suitable for reconsidering . . .⁷ of British Cable and Wireless vested interests in China as represented by Eastern and Marconi Companies.

It should be remembered that Cable monopoly in itself only affords partial protection to any British predominance, since American, German, Dutch and Japanese landing rights have all had to be successively admitted and interests in Japan of Northern Company render the latter, as a partner of our monopoly, especially susceptible to Japanese pressure. Moreover since Headquarters of Chinese administration were transferred from Shanghai to Peking in 1911, Eastern Company have been handicapped by lack of responsible representative here. It is British rather than Danish support, which carries weight with Chinese Government and yet in the present negotiations, with their important political bearing, we are dependent on Danish

¹ No. 154.

² Of Nov. 23, not printed; see No. 154, n. 3.

³ The text received at Tokyo read: 'that the present conditions necessitate'.

⁴ The text is here uncertain. The text received at Tokyo read: 'joint purse revenues'.

⁵ The text received at Tokyo read: 'despatches Nos. 261 of June 27th 1913 and 285 of June 17th, 1918 and 231 of May 21st 1919'. These despatches have not been printed.

⁶ This agreement is printed in MacMurray, vol. ii, pp. 1424-8.

⁷ The text is here uncertain. The text received at Tokyo read 'for reconsidering reconciliation'.

adviser in London who is in constant communication with a Danish employé here while this Legation is not yet in a position to ascertain either the nature of Chinese Government's instructions to Mr. Eriksen or the effect on these of change of Government which has occurred since his departure from Peking.

Japanese Minister has recently protested to Waichiaopu against schemes now under consideration for wireless development by Chinese National Company on the ground that they conflict with Mitsui Agreement⁸ and Japanese may possibly claim the right under Articles 9, 10, and 11 of their agreement of April 30th 1918 to be consulted with regard to present loan negotiations. In any case it is safe to assume that Japan aims at predominance in land Cable and Wireless Telegraph interests in China and the issue is therefore a clear and comprehensive one between Japanese and ourselves of which the present cable monopoly extension question is only one phase. On our side we have Marconi Agreements⁹ and what remains of Cable Monopoly privileges while Japanese have Mitsui and Telegraph loan Agreements.

Our partnership with Danes renders us vulnerable through the Northern Companies[?y's] interest in Japan and possibly through Danish sympathy for Telefunken Company while Japanese interests are practically those of Japanese Government though their Technical . . .¹⁰ are inferior and they are at present unpopular.

If we are to succeed it would seem essential:

(1) To . . .¹¹ Danish-British Cable and Wireless interests into as solid a block as possible.

(2) To obtain our proper share in the leading of negotiations by opening up direct communications between His Majesty's Government and Chinese Government through Legation.

I await your instructions before broaching the subject of Eriksen's Mission to Minister of Communications.

Repeated to Tokio by post.

⁸ This agreement is printed in MacMurray, vol. ii, pp. 1519 ff. See Vol. VI, No. 436; see also *The China Year Book*, 1921-2, pp. 491-507, for a well-documented section on 'Wireless Telegraphy'.

⁹ See *ibid.* and Vol. VI, No. 494.

¹⁰ The text was here uncertain. The Foreign Office suggested reading 'qualifications'. The text received at Tokyo read 'assets'.

¹¹ The text was here uncertain. The Foreign Office suggested reading 'amalgamate'. The text received at Tokyo read '? unite'.

*Foreign Office Memorandum respecting the Shantung Question*¹

[F 2947/33/10]*

FOREIGN OFFICE, *December 8, 1920*

The telegram from Mr. Balfour of the 26th November² has crossed Earl Curzon of Kedleston's memorandum of the same date, explaining his views as to the attitude to be adopted by the British delegation should the Chinese delegates bring the Shantung issue before the League of Nations at Geneva.³

2. In order to avoid all possibility of misunderstanding, Lord Curzon desires to make his point of view clear. He remains convinced that it would be both morally indefensible and opposed to the best British interests to countenance any action calculated to prejudice China's chance of submitting her case to the League of Nations in accordance with the procedure laid down in articles 13, 14 and 15 of the Covenant. Should the Chinese Government be able to say that they have been hindered from taking advantage of the machinery of the League by British action, the effect upon British interests in China might well be serious.

3. Lord Curzon has the best reasons for believing that it has recently been strongly impressed upon the Japanese Government by their own advisers that, if they desire to retain the goodwill of this country, some modification of their policy towards China is advisable; his Lordship understands that the Shantung question has been specifically mentioned as the direction in which such a change of policy would be most likely to secure the desired results.

4. Irrespective of the merits of China's case, in regard to which discussion cannot with advantage be pursued at the present stage, Lord Curzon feels that no effort should be spared to induce both parties to come to a friendly settlement. Every care should, however, be taken to see that His Majesty's Government are not drawn into the discussion, which might conceivably result in prejudicing our position with both.

5. The situation bears much resemblance to the position in which His Majesty's Government found themselves towards Italy with regard to the 'Pact of London' and the Adriatic settlement and the Dodecanese. Ultimately, Italy was persuaded to come to an amicable arrangement with the Jugo-Slavs and the Greeks, which gave to those two peoples considerable advantages, seriously diminishing Italy's formal claims under the pact. His Majesty's Government never ceased pressing upon Italy the political advantages of such an arrangement, whilst always declaring their readiness to abide by the pact if Italy insisted.⁴

6. Having liquidated our obligations to Japan at Versailles in 1919, Lord Curzon feels that His Majesty's Government may properly claim that, so

¹ This memorandum was intended for communication to Mr. Balfour at Geneva.

² No. 172.

³ See No. 167, n. 3.

⁴ For the various negotiations arising out of the Treaty of London of 1915, see Vol. II, Chap. II, Vol. IV, Chap. I, Vol. VII, Chap. I, and Vol. XII, Chap. II.

long as they do not intervene against Japan, their hands are now free to the extent of urging upon her the advantages of some compromise with China.

7. Turning to the two specific requests for information contained in Mr. Balfour's telegram, Lord Curzon has no knowledge of any arrangements made in Paris in 1919, respecting Shantung, beyond those mentioned in the Treaty of Versailles and in Mr. Balfour's despatches of that time. These despatches will be found on pp. 21-30 of the enclosed memorandum on the Shantung question,⁵ should Mr. Balfour wish to refer to them.

8. As regards the further enquiry for information showing the misuse by Japan of her treaty rights, should Mr. Balfour find leisure to review the facts the enclosed printed papers, as shown on the annexed list,⁶ are forwarded for his convenience. Special attention is invited to the report on Tsingtao,⁷ forwarded in Sir J. Jordan's despatch No. 411 of the 5th September, 1919,⁸ and to the memorandum communicated to the Japanese Ambassador on the 13th December, 1919, by Lord Curzon.⁹

⁵ This memorandum of Dec. 1 by Mr. Lampson is not printed.

⁶ The seven listed papers were: (1) Mr. Wellesley's memorandum of Sept. 1 (No. 97); (2) the memorandum on the Shantung question (see n. 3 above); (3) Mr. Ashton-Gwatkin's memorandum of July 7 (No. 61); (4) the memorandum communicated to Viscount Chinda on Dec. 13, 1919 (Vol. VI, No. 620); (5) the memorandum of July 20, 1920, to Viscount Chinda (not printed; see No. 93, n. 2); (6) Peking despatch No. 411 of Sept. 5, 1919 (Vol. VI, No. 489); (7) The China Annual Report for 1919 (not printed).

⁷ Not printed.

⁸ See No. 6 (4) above.

⁹ See n. 6 (4) above.

No. 179

Earl Curzon to Sir C. Eliot (Tokyo)

No. 370 Telegraphic [N 3898/234/57]

FOREIGN OFFICE, *December 10, 1920, 7.30 p.m.*

(British ship for Vladivostok.)

Your telegram No. 446 (November 27th).¹

Warship will be sent at end of month. Commander-in-Chief is now authorised to send a vessel to meet any immediate emergency.

Owing to danger of being caught by ice, vessel cannot remain at Vladivostok indefinitely.

¹ No. 173.

No. 180

Earl Curzon to Sir C. Eliot (Tokyo)

No. 373 Telegraphic [F 3149/56/23]

FOREIGN OFFICE, *December 11, 1920, 3.30 p.m.*

Your telegram No. 456:¹ last paragraph.

I have addressed Note to Japanese Chargé d'Affaires reiterating desirability of prompt settlement and proposing following formula:

¹ Of Dec. 5, not printed.

'Mr. Shaw having already been released on bail and allowed to leave Japan, on the understanding that the proceedings against him will not be continued so long as he does not return to Japan, the Japanese Government, being anxious to meet in every way possible the wishes of their Ally, while maintaining their point of view with regard to the legal question which has arisen, will return to His Majesty's Government for transmission to Mr. Shaw, the sum of 1,500 yen which he has deposited as bail.

'His Majesty's Government appreciating the manner in which the Japanese Government have endeavoured to meet their wishes, accept the settlement of the case on these terms, while equally maintaining their point of view as to the legal question.'²

Repeat to Peking.

² After further exchanges with the Japanese Embassy Lord Curzon proposed a revised formula as follows, which he enclosed in a note of Dec. 22 to Mr. Nagai (not printed): 'As Mr. Shaw has already been released on bail and allowed to leave Japan, the Japanese Government, while maintaining their point of view with regard to the legal question which has arisen, yet being anxious to meet in every way possible the wishes of their Ally, will hand over as an act of courtesy to His Majesty's Government, for transmission to Mr. Shaw, a sum of one thousand, five hundred Yen, which is equivalent to the bail he has deposited.

'2. His Majesty's Government, appreciating the manner in which the Japanese Government have endeavoured to meet their wishes, accept the settlement of the case on these terms, while equally maintaining their point of view as to the legal question.

'3. Neither Government propose to make any public announcement with regard to the terms of settlement of the case unless pressed to do so; in that event, they will, so far as may be practicable, confine anything they may say to a statement in general terms.'

No. 181

Sir C. Eliot (Tokyo) to Earl Curzon (Received December 14)

*No. 462 Telegraphic [F 3205/199/23]**

Secret

TOKYO, December 12, 1920 [8 p.m.]

Your Lordship's despatch No. 371, asking for my observations on papers respecting renewal of Anglo-Japanese Alliance.¹

I think long memorandum is somewhat severe on Japanese, particularly in imputing motives such as deliberate intention of 'poisoning and weakening Chinese nation' by morphia traffic.² But clearest proof of utility of alliance is that one who holds Mr. Wellesley's views about Japanese policy and character should advocate renewal in any form.

My immediately preceding telegram³ will show that I am not blind to

¹ Of Oct. 16, not printed. This despatch had enclosed a copy of No. 97 and of Sir J. Jordan's and Sir C. Greene's comments; see No. 97, n. 10.

² The reference is to the section on morphia traffic (not printed) in Part I of Mr. Wellesley's memorandum of Sept. 1; see No. 97, n. 2. The passage referred to by Sir C. Eliot was omitted from No. 97 as circulated in Confidential Print.

³ Tokyo telegram No. 461 of Dec. 11, not printed.

grave faults of Japanese in international matters, but in the only sphere where I have experience of some length—namely, Siberia—I have found Japanese policy not dishonourable and, if wanting in consistency, not more inconsistent than that of other Powers. They have hitherto made good their assurances about Siberia, and all accusations of plots to seize Chinese Eastern Railway and complicity with band itself⁴ have hitherto proved unfounded. But I do not doubt that they desire to acquire or control Eastern Siberia and Northern Saghal[e]n.

In practical politics China should not be contrasted with Japan as democracy versus militarism; under Manchu Empire there was hardly any aristocracy, and bureaucracy governed largely by persuasion. With the disappearance of empire there is merely a chaos of petty despotism[s], but no machinery or aptitude for democratic government. At Hong Kong I was long in contact with students of rival generic,⁵ and found their views almost all invariably bellicose, though crude and childish. They were unanimous in wishing to abolish extra-territorial rights and European settlements. Quite apart from policy of any particular Government, there is strong and persistent popular feeling amongst Japanese that they have a special mission in China, but, as indicated in my telegram No. 418⁶ and my despatch No. 556,⁷ educated opinion is becoming more sober and beginning to realise that recent war has not reduced rest of world to impotence and left Japan only strong Power. I think that present Government are ready to make a reasonable arrangement about Tsingtao, but have had no opportunity of discussing question with them.

I regard Japan as a moderately strong Power at present, less threatened by internal troubles than most countries. In a few years, if her naval and military programme is executed and no internal trouble occurs, she will be very strong, and if we do not make her our Ally she will be decidedly hostile. I anticipate grave difficulties in India and our other Asiatic possessions in near future, and we cannot count on American sympathy there. I do not think that we can afford to risk enmity of Japan.

I must supplement my statement that Japanese will accept almost any modification of present treaty rather than have no treaty by adding that they are capable of rejecting any proposed treaty which they think derogatory.⁸ I therefore deprecate any attempt to make them feel they are on their good behaviour. One of main causes of our present unsatisfactory relations is tendency of Europeans in Far East to treat Japanese with suspicion and contempt.

I am in favour of alternative two, that is renewal, subject to modifications rendered necessary by covenant of League of Nations. If alliance marked a

⁴ The text as sent read: 'with bandits'.

⁵ These two words were correctly amended in pencil on the filed copy to read: 'rising generation'. ⁶ No. 155.

⁷ Of Nov. 26, not printed. In this Sir C. Eliot had spoken of 'a growing disinclination to support an aggressive policy in China, Manchuria and Siberia'.

⁸ The text as sent here read: 'think in the least derogatory'.

new policy friction might arise with United States, but I do not see how United States can object to renewal of a treaty which has done them no harm in past, whereas failure to renew it would offend Japanese.

I share views of Mr. Wellesley and Sir C. Greene as to difficulties of adhesion clause, and also Sir C. Greene's view that an exchange of notes would not be regarded by Japan as an adequate substitute for a treaty.

No. 182

Earl Curzon to Sir B. Alston (Peking)

No. 423 Telegraphic [F 3311/1110/10]¹

FOREIGN OFFICE, *December 14, 1920, 6 p.m.*

Your tel. No. 517: last paragraph.²

As regards Bolshevik propaganda information here is that there is much activity in Peking especially among the students & that many proclamations in Chinese are being distributed. The representative of the Vladivostok Govt. is said to be Agariev, & there is another agent named Rosta, both said to obey Jurin's orders.

¹ Only the approved draft of this telegram has been traced in Foreign Office archives.

² Of Dec. 6, not printed. The last paragraph read as follows: 'Minister for Foreign Affairs informed me that before seriously negotiating [with M. Yourin, head of a mission from the Far Eastern Republic: cf. No. 108] Chinese Government had asked for assurances in regard to propaganda, indemnification for losses of Chinese in Siberia and respect of Chinese frontiers by Red troops.'

No. 183

Sir B. Alston (Peking) to Earl Curzon (Received December 16)

*No. 531 Telegraphic [F 3240/1/10]**

PEKING, *December 14, 1920*

Tokyo telegram No. 459.¹

Japanese note² misrepresents both quoted instances of violation of embargo and measures taken by Powers concerned.

As regards British aeroplane incidents, it seems . . .³ rely on Italian reports, as matters were dealt with publicly by this Legation, and Japanese Minister here is well aware of what occurred. Only one Handley Page machine was used on one occasion for bomb dropping by an intoxicated Swiss mechanic,

¹ Of Dec. 8, not printed.

² The note was summarized in Tokyo telegram No. 459; see n. 1, also *F.R.U.S. 1920*, vol. i, p. 753. The note alleged violations of the arms embargo by Great Britain, Italy, and the U.S.A. and proposed that a 'fresh agreement should be concluded in following sense. (Begins.) "Powers concerned will be at liberty to grant permission for export and delivery to Chinese authorities arms of which sale had been contracted for previous to conclusion of agreement amongst them".'

³ The text is here uncertain. The text received at Tokyo read: 'unnecessary to'.

who, alone of company's employees, ignored written instructions of this Legation, and was immediately dismissed in consequence. No British machines were used for reconnaissance purposes, and best proof of efficiency of drastic and continuous measures taken by British authorities is to be found in the fact that, with this single exception, no British machine has been used for military purposes up to date (see my despatch No. 517).⁴

Statement that arms were furnished by Italians to Governor of Chekiang is incorrect, as attempts to purchase and deliver were discovered and defeated (see my despatch No. 646 A).⁵

Small quantity of previously purchased arms were delivered to Anfu party in Peking under circumstances publicly explained by Italian Minister, whose steps to prevent further deliveries should be rendered completely effective by acceptance by Italian Government of proposal contained in my telegram No. 409.⁶

American incident mentioned presumably refers to an attempt by local agent of Anderson, Meyer and Co., contrary to three⁷ of his principals, to deliver in July last a consignment purchased before embargo and paid for. United States Government took immediate drastic action; agent in question was summarily dismissed, and arms are still in custom-house custody and were never delivered.

Present state of relations between North and South, far from being an argument in the interest of⁸ relaxation of embargo, offers strongest grounds for reaffirmation.

I have spoken very earnestly to both Japanese Minister and Japanese military attaché, and urged on them⁹ effect which would follow adoption of their Government's proposal at present juncture. I told them that when I was recently in England and America I found people firmly convinced that Japanese are at the back of every trouble that arises in China, and pointed out that if their proposal were pressed it would give further support to that impression. I suggested that loss of trade which would ensue to Japan as well as to other countries by a continuance of present chaos in China would far outweigh the small sum of 5,000,000 yen, and that it would be politically . . .¹⁰ Japanese Government either to advance this sum or the interest on it to Chinese merchants until such time as embargo can be . . .¹¹ rather than to emphasise their reputation for desiring to keep China in a state of ferment.

Speaking personally as an old friend, I could not help warning them that, whatever they might hear to the contrary, there was a strong feeling in British mercantile quarters, both in England and in the Far East, against renewal of alliance, and impression that trade in China was continuing to be harassed by Japanese tactics was not likely to improve matters.

⁴ Of July 21, not printed.

⁵ Of Sept. 20, not printed.

⁶ Of Sept. 23, not printed; see No. 163, nn. 1 and 3.

⁷ In the text received at Tokyo this word read 'instructions'.

⁸ The text received at Tokyo here read: 'argument for remission or'.

⁹ The text received at Tokyo here read: 'urged deplorable'.

¹⁰ The text is here uncertain. The text received at Tokyo read: 'would politically pay'.

¹¹ The text is here uncertain. The text received at Tokyo read 'removed'.

Sir B. Alston (Peking) to Earl Curzon (Received December 15, 3.40 p.m.)

No. 532 Telegraphic [F 3226/1/10]

Very urgent

PEKING, December 14, 1920, 9 p.m.

Local agent of Handley Page Limited informs me that he signed on December 9th an agreement with Chinese Government for sale of 105¹ flying boats and hydroplanes at a cost of £897,200, and for a credit of £400,000 to cover cost of establishing a commercial aviation service along coast and rivers of China. Chinese Government agree to issue one million four hundred and ten thousand pounds negotiable to bearer 8% Treasury bills which Company are free to . . .² as they see fit to cover (at 92% of their face value) cost of equipment and credit. Delivery of planes is to begin within 9 months and credit is to be made available within three months from date of signature.

Action of agent in deliberately concealing negotiations of this agreement from Legation though well aware of policy of His Majesty's Government in view of present conditions³ of aviation questions in this country requires no comment, and I have simply informed him that pending instructions from Your Lordship I can accept no responsibility in the matter.⁴ Fact that agreement was signed with Ministry of Finance is suspicious having regard to prevent⁵ desperate state of Central Government's finances. Viewed in light of:

- (a) Present *impasse* regarding existing aviation contracts.
- (b) Arms embargo.
- (c) Consortium.
- (d) Good name of British enterprises in this country and of Chinese securities in Great Britain (payment of interest of Messrs. Vickers' loan, contracted only a year ago, is still in arrears, and likely to remain so):

conclusion of this agreement at present juncture can only be described as disastrous. Agreement provides for its official communication to this Legation by Wai-chiao-pu and I would strongly recommend that I be authorised to refuse to receive such communication when made, on the ground that agreement is contrary to policy of His Majesty's Government and if necessary to make public the fact that⁶ such refusal both here and in London is⁷ for protection of prospective investors.

I fear no less drastic action will avail to establish *bona fides* of our policy in

¹ This figure was 165 in the text received at Tokyo.

² The text is here uncertain. The text received at Tokyo read 'disperse'.

³ The text received at Tokyo here read: 'H.M.G. and present condition'.

⁴ Sir B. Alston's action was approved in Foreign Office telegram No. 2 of Jan. 1, 1921, not printed.

⁵ Amended in the Foreign Office to read 'present'.

⁶ This word read 'of' in the text received at Tokyo.

⁷ This word was not included in the text received at Tokyo.

face of Foreign Chinese and British crisis⁸ which disclosure of agreement cannot fail to arouse.

Please see in this connection my immediately preceding telegram.⁹ Figures by post to Tokyo.

⁸ This word read 'criticism' in the text received at Tokyo.

⁹ No. 183.

No. 185

Sir A. Geddes (Washington) to Earl Curzon (Received December 23)

*No. 849 Telegraphic [F 3367/19/10]**

WASHINGTON, December 22, 1920

Peking telegram No. 518.¹

Your telegram No. 419 to Peking.²

I have seen Mr. Stevens, who was accompanied by Mr. Morris (United States Ambassador at Tokyo). Mr. Stevens, after explaining the position of railway, urged that only method of putting enterprise on a satisfactory footing was to extend powers of Technical Board so as to give to an international body, representative of interested Powers, complete control over administration. He insisted on danger of a *coup de main* on the part of Japanese if present situation were allowed to persist, and urged that only possible solution was complete control by interested Powers acting as trustees for a reconstituted Russia. President of Board of Control should be chosen by board, and he hinted at possibility that he himself would not return. He was quite clear that working expenses could be materially curtailed and general situation greatly improved under such a scheme.

As regards finance, he had no special recommendations to make. He said that if sums owed [? owed] by Powers, and particularly French, for services rendered were paid, deficit would be practically wiped out.

Impression I gained was that, while Mr. Stevens was in favour of genuine international control, Mr. Morris would like to see United States of America placed in a privileged position.

¹ Of Dec. 7, not printed.

² Of Dec. 11, not printed. This replied to Peking telegram No. 518, and related partly to the presidency of the Technical Board at Harbin.

No. 186

Sir B. Alston (Peking) to Earl Curzon (Received December 29, 9.10 a.m.)

No. 546 Telegraphic [F 3421/1/10]

PEKING, December 27, 1920, 10.15 p.m.

My telegram No. 532.¹

Wai-Chiao-Pu have communicated agreement and I have replied that

¹ No. 184.

in view of fact that provision for its communication to this Legation was inserted without my previous knowledge or consent I am unable to place agreement on record pending receipt of instructions from Your Lordship.²

It now transpires that signature of Handley Page representative was witnessed by American Citizen Gillis³ who was connected with previous negotiations conducted by Curtiss Company with Ministry of Marine for sale of similar Hydroplane material. Further, Ministry of Finance would appear to have acted as screen for Ministry of Marine in concluding present agreement and I learn unofficially from reliable source in Ministry of Finance that undertaking has been given to pay to Chinese Government before next China new year a sum of £400,000 being total amount of credit provided for under agreement. This, if correct, confirms suspicion in my telegram above-mentioned that Chinese interest in agreement is really to obtain financial accommodation against new year settlement.

I am satisfied that aviation Department of Chinese Government know [knew] nothing of agreement prior to signature.

I should be glad of early instructions and trust that I may be authorised to repudiate agreement, as otherwise this Legation will be placed in an impossible position.

² Sir B. Alston's action was approved in Lord Curzon's telegram No. 2 of Jan. 1, 1921, not printed.

³ Former U.S. naval attaché at Peking; see Nos. 209, 473, and 490 below.

No. 187

Sir B. Alston (Peking) to Earl Curzon (Received December 28, 1920)

*No. 547 Telegraphic [F 3403/22/10]**

PEKING, December 27, 1920

Your telegram No. 429.¹

I am awaiting reply to enquiry addressed to King² at Tachienlu, but from latter's last report, dated 15th November, it would seem probable that 'Daily Telegraph's' report from Calcutta is based on exaggerated version of steps taken by Chinese Frontier Commissioner Chen to reinforce with troops from Litang his garrison at Batang, which is threatened by Yunnan General Liutsangting from Atuntzu.

When delivering message from your Lordship to President on my return³ on 15th December I alluded to His Majesty's Government's disappointment at rupture of Tibet negotiations, and his Excellency promised to study the question and ascertain whether Chinese objections to resumption were still insuperable. I propose to remind him of this promise in due course, and if

¹ Of Dec. 16, not printed. This had asked Sir B. Alston whether he had any information concerning a report in the *Daily Telegraph* of Dec. 14 that trouble was brewing on the Sino-Tibetan frontier and that in Lhasa there was news of the massing at Litang, on the Tibetan frontier, of 5,000 troops from Szechuan.

² Mr. L. M. King of H.M. consular service, employed in special duty on the Sino-Tibetan frontier.

³ Sir B. Alston had been on leave of absence since June 30.

resumption is not possible will then press for written assurances desired by His Majesty's Government against any renewal of Chinese attacks.⁴

⁴ In a minute dated Dec. 30 Mr. Wellesley noted: 'Sir B. Alston when here was rather hopeful of being able to induce the Chinese Govt. to resume negotiations notwithstanding the Shantung problem. I wish I could share this optimistic view.'

No. 188

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 461 [F 3431/56/23]**

FOREIGN OFFICE, *December 29, 1920*

Sir,

The Japanese Ambassador, calling upon me to-day to discuss the Shaw case, pressed me to substitute for the words 'Mr. Shaw . . . having been allowed to leave Japan' in the revised formula¹ submitted by the Foreign Office to the Japanese Government—the words 'Mr. Shaw having left Japan.'

Recalling that Mr. Nagai had proposed this very wording, and that we had already rejected it on the ground that it would suggest that Shaw had left Japanese territory without the leave, or possibly even the cognizance, of the Japanese authorities, whereas he had really left with the consent of the Japanese Minister for Foreign Affairs, and with a paper from the Japanese judge, saying that he could go whenever he pleased, I told Baron Hayashi that I could not accept the emendation, my own words being much more strictly in accord with the facts than his; and I strongly urged him to close this petty but irritating incident by accepting without further demur the formula which I had submitted. It went, I remarked, much further in the direction of meeting the Japanese standpoint than I had at one time deemed to be possible, and personally I regarded the Japanese Government as having gained more in the controversy than they were entitled to. In these circumstances, surely they had better accept the proposals, and put the controversy on the shelf.

His Excellency asked for two or three days in which, I suppose, he desires to communicate with his Government; but I think he realised that he will not get any more out of me by a renewal of pressure.

I am, &c.

CURZON OF KEDLESTON

¹ See No. 180, n. 2.

No. 189

Earl Curzon to Sir B. Alston (Peking)

No. 1 Telegraphic [F 3421/1/10]

FOREIGN OFFICE, *January 1, 1921, 6 p.m.*

Mr. Handley Page has been informed¹ that however much we may sympathise with his endeavour to push British trade we have no option for reasons of high policy but to decline to register the transaction at His Majesty's Legation. He has been told that the contract is unsound from every point of view, being contrary to the interests of the British investor, to those of the Chinese Government and, to judge by the experience of the Vickers contract, to those of his own firm besides being diametrically opposed to the consortium policy of His Majesty's Government. If his firm persisted in deliberately disregarding the wishes of His Majesty's Government their prestige and interests would probably suffer in the long run and it was for him to judge whether a firm of their standing could afford to risk that. Eventually Mr. Handley Page practically admitted that he had no option but to drop the business.

It is of course essential that our action should not result in the contract going elsewhere and I leave it to your discretion whether you should not explain matter frankly to your American (or other) colleague and leave him in no doubt that if it is now taken up by American (or other) firm, His Majesty's Government would have just cause of complaint and would undoubtedly have to intervene.

Please send correspondence to Tokyo.

Repeated to Washington and Paris.

¹ By Mr. Wellesley in interviews on Dec. 20 and 31, 1920.

No. 190

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 2 Telegraphic [F 3279/1/10]**

FOREIGN OFFICE, *January 3, 1921, 9 p.m.*

Rome telegram No. 538.¹

May it be assumed that Japanese Government have dropped proposal reported in your telegram No. 549 [459]?²

If so, you may at your discretion express satisfaction, pointing out that His Majesty's Government attach greatest importance to the non-relaxation of the embargo. Suggestions of Minister for Foreign Affairs are not justified by the facts (see Peking telegram No. 531)³, and if Japanese Government are genuinely in doubt you should take immediate steps to enlighten them.

¹ Of Dec. 18, not printed.

² See No. 183, n.2.

³ No. 183. In his telegram No. 6 of Jan. 3 to Peking (not printed) Lord Curzon suggested

Far from shaking their belief in the embargo, recent events in China have confirmed the determination of His Majesty's Government vigorously to uphold it.

Minister for Foreign Affairs shows disposition to harp on Vickers contract and to seek in it a breach of the embargo. His Majesty's Government emphatically repudiate any such insinuation, and their action during the recent troubles in North China speaks for itself. Moreover, you will recollect that at the time the contract was concluded the Japanese Government were given full explanations and opportunities to satisfy themselves as to *bona fide* commercial character of the contract (see my despatch No. 67 of 1920).⁴ We have no desire to embark upon controversial discussion with Japanese Government, but if his Excellency pursues the topic further you can in addition to the above invite his attention to the communication which your predecessor no doubt made to him on receipt of my despatch No. 44 of 4th February, 1920,⁴ to the effect that His Majesty's Government considered that aircraft, if not fitted or supplied with guns or bombs, bombing apparatus or ammunition, were free from the restrictions imposed by the Arms Traffic Convention. In the absence of any expression of dissent it has hitherto been assumed that the Japanese Government acquiesced in that definition.

(Repeated to Peking, No. 1, and Rome, No. 1.)

that Sir B. Alston might discuss matters with his American colleague 'with view to American Ambassador at Tokyo being instructed to take action to resist any attempt to relax the embargo'.

⁴ Not printed.

No. 191

Sir A. Geddes (Washington) to Earl Curzon (Received January 4, 11 p.m.)

*No. 6 Telegraphic [F 45/45/10]**

WASHINGTON, January 4, 1921

Chinese Eastern Railway.

A telegram has been received by State Department from Mr. Davis, United States Ambassador, London,¹ to the effect that, in his opinion, you would be prepared to agree to support a proposal for settlement of problem of administration and control of Chinese Eastern Railway on lines indicated in my telegram No. 849.² On learning of this I asked Mr. Norman Davies [Davis]³ if he could secure republican and senatorial support for proposals. He has undertaken to see Mr. Lodge⁴ and to address note to me on this matter within a few days.

¹ For this telegram, see *F.R.U.S.* 1920, vol. i, p. 726.

² No. 185.

³ Acting Secretary of State, see No. 67.

⁴ Senator Henry Cabot Lodge, Chairman of the Senate Foreign Relations Committee.

No. 192

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 7 Telegraphic [F 5/2/10]**

FOREIGN OFFICE, *January 6, 1921, 6 p.m.*

Rome telegram No. 538,¹ and my telegram No. 2.²

Despatch just received from Sir G. Buchanan shows that Japanese Ambassador has limited his representations to verbal communication to Italian Government, whereas British, American and French Ambassadors have all sent in formal notes.³ Read in the light of your telegram No. 459,⁴ this is far from satisfactory and renders all the more necessary immediate and strong representations to Japanese Government.

You should accordingly at once address to them a note in the sense of paragraphs 2 and 3 of my telegram No. 2. His Majesty's Government hesitate to believe that Japanese Government can regard with equanimity the supply by Japanese nationals of consignments of arms and ammunition in the circumstances existing in China.

You should keep your American colleague informed.

Repeat to Peking. (Repeated to Rome, No. 6.)

¹ Of Dec. 18, not printed.

² No. 190.

³ The reference is to Rome despatch No. 1016 of Dec. 29, not printed. For the tenor of the Japanese verbal communication, see *F.R.U.S. 1921*, vol. i, pp. 535-6.

⁴ Of Dec. 8, not printed; see No. 183, n. 2.

No. 193

Sir B. Alston (Peking) to Earl Curzon (Received January 7)

*No. 7 Telegraphic [F 89/3/10]**

PEKING, *January 6, 1921*

Tokyo telegram of 17th December.¹

His Majesty's consul-general at Mukden, in a despatch commenting on Japanese charges against British missionaries, remarks that accusations are only justified in so far that missionaries' sympathies certainly lie with Koreans.

They advocate its aspirations² for freedom from Japanese control. Brutal treatment and lack of justice from which Koreans suffer, and detestable Japanese methods of crushing agitation have naturally antagonised missionaries to Japanese authority.

¹ Tokyo telegram No. 474, not printed. This referred to 'an apparently official report' concerning the repression by Japanese forces of the rebellion in Chientao (see Nos. 132, 133, 136, 140, 142, 158, and 166), which stated that churches were used for meetings of malcontents and schools for training Korean cadets in military matters.

² The text of this telegram as received at Tokyo here continued the previous paragraph, reading: 'lie with Koreans among whom they work in their aspirations'.

His Majesty's consul-general is quite convinced however that, apart from this, there is not the slightest foundation for charge that missionaries have ever intentionally encouraged an anti-Japanese movement amongst Koreans or given slightest active assistance to Korean agitators. He adds that missions have always made a point of not allowing their workers to participate in political affairs. He is doubtless correct in considering that charges arise from resentment against missionaries for making known to the world the ruthless barbarity of Japanese military.

Copy of Mukden despatch is being sent by post.³
(Repeated to Tokyo.)

³ Mukden despatch No. 87 to Peking of Dec. 17, 1920, not printed.

No. 194

Sir C. Eliot (Tokyo) to Earl Curzon (Received January 12, 1 p.m.)
No. 8 Telegraphic [F 141/2/10]

TOKYO, January [9], 1921 [12 noon]

Your telegram 2¹ and Peking telegram No. 532.²

I spoke to Minister for Foreign Affairs in the sense of your telegram and he agreed about Messrs. Vickers Aircraft but asked great many questions about sale of Handley Page Hydro-planes respecting which he seemed remarkably well informed. I said that His Majesty's Legation had nothing whatever to do with transaction but that I believed nothing but a purely commercial aviation service had ever been contemplated. He did not seem satisfied and I should be glad of instructions as to what I should say.

With regard to his proposal relative to³ arms embargo the most he would do was to admit that moment was not opportune. He spoke at length of desperate condition of China and seemed to think (? that) . . . (? obliged to) take⁴ decisive action. He could not however authorize me to inform Your Lordship that proposal was dropped. Japanese Government was in a most difficult position for it must either permit sale of arms or indemnify Japanese merchants for their losses.

Matter was engaging serious consideration of Cabinet.

Just before General Woodroffe's departure⁵ Chief of Staff also spoke and wrote him most seriously about the condition of China and necessity for cooperation between Great Britain and Japan.

Sent *via* Peking.

¹ No. 190.

² No. 184.

³ In the text as sent these two words read: 'to relax'.

⁴ The text is here uncertain. The text as sent read: 'seemed to imply that some Power must take'.

⁵ Brig.-Gen. C. R. Woodroffe, the retiring H.M. Military Attaché at Tokyo, had left Japan on Jan. 8, 1921.

Sir B. Alston (Peking) to Earl Curzon (Received January 12, 6.30 p.m.)
No. 11 Telegraphic [F 143/143/10]

PEKING, *January 10, 1921, 3 p.m.*

Your telegram No. 340.¹

A study of replies received from His Majesty's Consuls, as well as of material already (? possessed) by Legation, shows that there are extremely few cases in which it is possible to adduce anything which must be called concrete evidence of Japanese illegitimate methods. Results confirm also that Japanese power to interfere with principle of equalisation of opportunity is limited in practice to those parts of China, namely Manchuria, Shantung, Fukien, and to a lesser extent Middle Yangtze Valley, where she has succeeded, by gradual penetration or by force of threats, in establishing wholly or partially a virtual condominium, exercised mainly through her control over communications. Her usurpation of this position is of course in itself the root of the whole evil, and specific cases which give cause for complaint by British traders &c. are nothing more than logical result.

As regards Manchuria, most definite charge which could be brought against Japanese relates to preferential tariff rates applied on South Manchurian Railway. Question is much too complex to summarise and I can only refer Your Lordship to correspondence which took place principally between Foreign Office and His Majesty's Embassy at Tokio in 1915 and again in 1919.² His Majesty's Consul-General at (? Mukden) states in his report that most genuine and serious of our grievances against Japanese in Manchuria is discrimination shown by South Manchurian Railway to Japanese merchants in allotment of railway cars, and system which undoubtedly prevails of wilfully delaying foreign goods on railways. These abuses, though hardly susceptible of (? tangible) proof, probably constitute Japan's chief instrument for closing the door to (? trade of) other nations in Manchuria, and are largely responsible for complete monopoly enjoyed by Japanese in the very important bean trade which has developed in recent years. The facts in regard to 'equal opportunity' in Manchuria really speak for themselves; with the exception of British-American Tobacco Company there is no British capital invested in South Manchuria, and all (? industries) are in Japanese hands.

The outstanding examples of denial of equal opportunity have been discrimination against British Shipping at Tsing Tao (see Sir J. Jordan's despatches No. 13 of January 10th³ and No. 69 of February 12th, 1920⁴), attempted monopoly of Commercial building sites at Tsing Tao, abuse of Japanese control over communications in Shantung, enabling her nationals

¹ No. 144.

² This correspondence is not printed; for an earlier reference to the preferential rates on the S. Manchuria Railway, see No. 61, especially pp. 58-61.

³ Not printed.

⁴ Vol. VI, No. 731.

to evade Treaty prohibitions of trade in salt and copper cash (see my despatch No. 32 of January 20 1919³), and general encouragement of inequalities such as those reported in Mr. Clive's despatch No. 635 of September 13th 1920.³ The worst individual cases as regards building sites are those of Butterfield and Swire, who were for months kept out of a property which they had bought quite legitimately from German owner and were finally forced to submit to an imposition of \$10,000; Jardine and Matheson, who were similarly treated, and Hongkong and Shanghai Bank who saw German property (Siemmsens), on which they had foreclosed, sequestrated by Japanese and in order to obtain possession had to buy it from administration and lose amount of their mortgage.⁵ Conditions laid down for Government auction of seventy per cent. of German-owned property in Tsing Tao were so arranged as to make it virtually impossible for any but Japanese to fulfil them.⁶

Peking despatch No. 411 of September 5th, 1919 also contains useful material regarding Shantung.⁷

As regards Yangtze Provinces please see Peking despatch No. 224 of May 20th, 1919.³

As regards rest of China I can for the moment only refer Your Lordship to case of Kiu-Kiang-Nanchang Railway mentioned in my despatch No. 37 of January 22nd of this [*sic*] year.⁸

Reports from His Majesty's Consular Officers at Seoul and Dairen have, I understand, been called for by His Majesty's Ambassador at Tokio.⁹

Copies of Mukden and Tsinan-Fu reports follow by bag.¹⁰

Figures by post to Tokio.

³ In his despatch No. 210 of April 30, 1921 (not printed) Sir C. Eliot expressed the view that Messrs. Jardine, Matheson & Co. were themselves 'in a large measure responsible for the delays which occurred'. He also stated the main facts in the case of the Hongkong and Shanghai Bank and said that he had 'caused verbal representations to be made to the Vice-Minister for Foreign Affairs, with a view to obtaining payment of the money due for the mortgage as soon as possible'.

⁶ Details of the sale of German properties had been given in H.M. Vice-Consul at Tsingtao's despatch No. 14 of Feb. 16, 1920, transmitted to the Foreign Office under cover of Sir J. Jordan's despatch No. 88 of Feb. 24, 1920, not printed.

⁷ Vol. VI, No. 489.

⁸ The reference is to Peking despatch No. 37 of 1920, not printed.

⁹ For the gist of these reports, see No. 198 below.

¹⁰ Under cover of his formal despatch No. 145 of March 14 Sir B. Alston transmitted a copy of despatch No. 1 of Jan. 4 from H.M. Consul-General at Tsinan (not printed) respecting Japanese infringements of the open-door policy at Tsingtao; this confirmed the position as summarized in the foregoing telegram. The report from Mukden (No. 81 of Nov. 30, 1920, not printed) had already been despatched under cover of Peking despatch No. 1 of Jan. 3, 1921.

Earl Curzon to Sir B. Alston (Peking)

*No. 14 Telegraphic [F 46/2/10]**

FOREIGN OFFICE, *January 10, 1921, 6 p.m.*

My telegram No. 1.¹

Handley Page has now written claiming that Vickers contract was put through by the help of the Legation in direct violation of terms of his own agreement of the 24th February, 1919; that it was signed by a member of the Legation on behalf of Vickers; that he, Handley Page, was encouraged in conversation with Mr. Clive at the Foreign Office to seek compensation in a further contract; that if, as result of Foreign Office intervention, that further contract which he has now obtained over the head of an American firm is turned down he claims redress:

1. Because the Legation allowed the Vickers contract to be negotiated, although the Handley Page contract of 1919 was already on record with them.
2. Because, owing to the restricted market for aircraft, Aircraft Disposal Company (Limited) are thus precluded from carrying out their obligations to the Ministry of Munitions.

He accordingly requests again that I accept communication of the agreement from the Chinese and suggests adoption of suitable safeguards against misapplication of funds, if that is ground of my action.

I propose to reply that firm are under complete misapprehension as to signature of Vickers contract, which was signed by no member of Legation, but merely witnessed by pro-consul in his notarial capacity and for usual fee.

That as regards claim for redress, both Handley Page and Vickers contracts were private agreements with the Chinese Government, and whatever claim he might consider he has for alleged breach by the Chinese Government should naturally be addressed to the latter.

As it is essential that tenor of communications to the firm here and to their agents at Peking should follow same lines, please telegraph urgently whether you concur.

New fact just disclosed is that Ministry of Munitions have 50 per cent. interest in any profits made under this contract.

Great pressure is being brought to bear upon me to modify my attitude, but I regard strict adherence to the spirit and letter of consortium policy as imperative. It is important that this should be realised by your consortium colleagues, and you should forthwith give them a full and frank explanation of the attitude His Majesty's Government have adopted in this case.

Repeat with relevant papers to Tokyo.

¹ No. 189.

No. 197

Sir B. Alston (Peking) to Earl Curzon (Received January 13, 12.30 p.m.)
*No. 13 Telegraphic [F 152/7/10]**

PEKING, *January 11, 1921, 11.30 a.m.*

Mr. Stevens¹ called on me a few days ago. Prominence has been given in the press to his arrival as head of American group, but impression he appeared to try to create was that he was head of the whole consortium, which in one of his public speeches he described as an American creation. He said that he had been given an entirely free hand by Messrs. J. P. Morgan, and proposed to act and speak to Chinese as he thought best quite independently. I considered it advisable therefore to be perfectly frank with him, and drew his attention to resolution 19² and to old-established position of Hong Kong and Shanghai Bank in Chinese loans, as I felt it essential that he should clearly understand that we did not admit any superior position on the part of American group. He said he did not claim this, but equally could not recognise any claim to leadership on the part of British group, more especially as it appeared likely that Americans would have to put up three-quarters of any loan.

I said that my point was that there should be perfectly frank communication between groups, his use of the expression 'quite independently' not having been clear to me. He said he certainly intended to act in absolute harmony with other group representatives; he had only meant by 'independently' freedom to discuss and explain consortium to Chinese as he thought best.

Interview was quite amicable.

¹ Mr. F. W. Stevens, representative of the U.S. Group in the China Consortium.

² The reference is presumably to resolution XIX of the Consortium Conference held in New York on Oct. 15, 1920; see *F.R.U.S. 1920*, vol. i, pp. 588-9.

No. 198

Sir C. Eliot (Tokyo) to Earl Curzon (Received January 14, 3 p.m.)
No. 13 Telegraphic [F 173/143/10]

TOKYO, *January 11, 1921 [2.40 p.m.]*

Your telegram No. 340 to Peking.¹

(? Their telegram) from which Peking² suggested reports should be obtained from Dairen and Seoul.

Acting Consul at Dairen reports though general opinion amongst (? British merchants) is that there is reason to believe illegitimate methods have been occasionally employed no authentic cases are adducible except a recent one in which cheque on Russo-Asiatic Bank presented by British firm³ was

¹ No. 144.

² The text as sent here read: 'Legation at Peking'.

³ Sir C. Eliot's despatch No. 19 of Jan. 21 (not printed) amplifying the present telegram, indicated that the firm was Messrs. Brunner, Mond & Co.

refused by South Manchurian Railway on ground that Bank was not Japanese nor member of Dairen Chamber of Commerce's Association.

One or two merchants say that they have never had reason to suspect (? differential) treatment. Opinion is also expressed that any advantages secured by Japanese firms are result of graft rather than deliberate discrimination. His Majesty's Consul-General at Seoul knows of no properly substantiated cases of discrimination.

Sent by Peking.

No. 199

Earl Curzon to Sir B. Alston (Peking)

*No. 21 [F 3411/33/10]**

FOREIGN OFFICE, *January 11, 1921*

Sir,

With reference to the correspondence ending with Mr. Clive's despatch No. 635 of the 13th September last,¹ I transmit to you herewith a copy of a note which I have to-day addressed to the Japanese Ambassador,² reminding him that I am still awaiting a reply to the second memorandum respecting the Japanese administration at Tsingtao, which I addressed to him on the 20th July, 1920.³

2. No useful purpose is to be gained by pursuing the matter further with the Japanese Government at this stage once they have answered both the representations that have been addressed to them. It would be difficult to say more than has been already said or to strengthen the representations that have already been made.

On the evidence in the possession of this Department, it seems fair to believe that the action taken has already had some effect. It seems clear from various sources, secret and otherwise, that Japan appreciates the difficulty of her position in Shantung, and a certain modification in her attitude towards China has become noticeable. The opium abuses at Tsingtao are apparently to be remedied, if we may believe the published intentions of the Japanese Government, and the land cases in which British concerns were interested at Tsingtao have all been disposed of.

4. In the circumstances it would be a mistake to get drawn into a discussion with the Japanese Government on matters of detail, such as whether the harbour administration is or is not a Chinese sovereign right. Such matters should be borne in mind by the British representatives on the spot, who, when the moment of final settlement comes, will no doubt report upon any questions which require consideration by the Governments.

¹ Not printed; cf. No. 195.

² Not printed. This note was acknowledged by Baron Hayashi in a letter of Feb. 3, not printed.

³ Not printed; cf. Nos. 93, n. 2, and 178, n. 6 (5).

5. For the moment, therefore, I do not propose to continue the correspondence with the Japanese Government. But you should continue to send full reports upon Japanese proceedings in Shantung and at Tsingtao; any cases of authenticated abuses or anti-British discrimination should at once be brought to my notice.

I am, &c.

CURZON OF KEDLESTON

No. 200

Earl Curzon to Sir B. Alston (Peking)

*No. 33 [F 61/61/10]**

FOREIGN OFFICE, *January 11, 1921*

Sir,

With reference to Mr. Clive's despatch No. 511 of the 17th July, 1920,¹ I transmit to you herewith copy of a letter from the Board of Trade² communicating their views on the proposals for the increase of the Chinese import tariff in return for the abolition by the Chinese Government of *li-kin* and all other forms of internal taxation.

2. I am in entire concurrence with the suggestions made in the Board of Trade letter, namely, that (1) provided the Chinese Government abolish completely all forms of internal taxation, including the existing coast-trade duty, on all merchandise, whether of foreign or of Chinese origin, His Majesty's Government will be prepared to agree to the increase of import duty in general to an effective 12½ per cent. *ad valorem* and to the levy of export duty on native goods at the rate of 7½ per cent. *ad valorem*, the excise being charged on Chinese manufactures as laid down in article 8, section 9, of the commercial treaty of the 5th September, 1902;³ and (2) that January 1922 should be taken as the date from which the revised tariff should come into operation.

3. You will of course realise that this offer of His Majesty's Government to agree conditionally to the levy of an effective 12½ per cent. *ad valorem* duty on imports meets the demand of the Chinese Government for a further revision of the basis on which the import duties were calculated by the Tariff Revision Commission in 1918-19.

4. You should make these views known to your colleagues of the Diplomatic Body and ascertain whether they have been authorised to adopt a similar attitude towards the request of the Chinese Government.⁴

I am, &c.

CURZON OF KEDLESTON

¹ See No. 60, n. 1.

² This letter of Nov. 23, 1920, is not printed. In it the Board of Trade stated that they understood 'that British traders in China fear considerable hindrances to trade in foreign goods so long as there is any form of internal taxation on goods'.

³ See *B.F.S.P.*, vol. 95, pp. 39-55.

⁴ For Sir B. Alston's reply, see No. 312 below.

Sir B. Alston (Peking) to Earl Curzon (Received January 14)
*No. 17 Telegraphic [F 165/2/10]**

PEKING, January 13, 1921

Your telegram No. 14.¹

Handley-Page is correct in saying that Legation assisted Messrs. Vickers in obtaining contract, but Foreign Office inspired attitude of Legation at the time, holding with Department of Overseas Trade that every effort should be made to establish our position in befriending aviation² in China at a time when it was believed Americans, French and Italians would try and unload their surplus stock of aeroplanes in this country.

Contract was not signed by member of Legation, but witnessed as stated in telegram. Mr. Clive states that it is a perversion of the facts to say that he encouraged Handley-Page to seek compensation in future contract. His recollection is that at the interview monopoly clause of Vickers' contract was discussed, and he told Handley-Page that this clause need not in itself be held to exclude them from selling aeroplanes in China, but the question was never raised of Handley-Page making a further contract.

Mr. Barton³ says that at the interview he had with Handley-Page whilst at Department of Overseas Trade he warned him that Foreign Office would be most unlikely to support a further aeroplane contract at that time in view of the serious opposition that has been raised by Vickers' contract. Only claim for redress is against Chinese Government, and any possible grievance that Handley-Page may harbour over Vickers' contract is discounted by the attitude adopted by the firm with the support of Peking Syndicate in deliberately acting behind our backs on this occasion in spite of the warning given in London and in Peking (see Peking telegram No. 212 of 14th April last year).⁴ Contract was returned by me to Chinese Government on 5th January on the receipt of your telegram No. 1.⁵ I concur that suggestion for adoption of safeguards is not feasible and that an attitude of complete repudiation is the only one open to us. I have already verbally informed my American, French and Japanese colleagues of the attitude adopted by His Majesty's Government, and am sending them memorandum emphasising consortium point of view.

¹ No. 196.

² The text of this telegram received at Tokyo read: 'in field of aviation'.

³ Mr. Sidney Barton, Chinese Secretary in H.M. Legation at Peking.

⁴ Not printed. In his immediately following telegram, No. 18 of Jan. 13, Sir B. Alston said that the Peking Syndicate who acted as Messrs. Handley Page's agents were closely associated with 'powerful financial interests very hostile to Consortium and who will do their best at any time to defeat it'.

⁵ No. 189.

No. 202

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 13 Telegraphic [F 120/2/10]**

FOREIGN OFFICE, *January 14, 1921, 11 p.m.*

Your telegram No. 8¹ has evidently crossed my telegram No. 7 instructing you to address formal note to Japanese Government setting forth views of His Majesty's Government.²

There seems little to add to those instructions, upon which you are no doubt acting. As Minister for Foreign Affairs is satisfied about Vickers, no more need be said on that count. As regards Handley-Page, the telegraphic correspondence repeated to you from Peking should convince his Excellency of the firmness and correct attitude of the British Government.³ Sir B. Alston has already been instructed to give full explanation to his consortium colleagues,⁴ and you should at once take similar action with Minister for Foreign Affairs.

His Excellency's reference to desperate condition of China is very apposite, and only serves to emphasise absolute necessity of withholding all supplies of arms and ammunition of every description. You should leave his Excellency in no doubt that any departure by Japan from embargo policy will be viewed by His Majesty's Government as tending to prolong disturbed state of China and as an aggravation of the situation. We rely on the co-operation of the Japanese Government in the application of the proper and efficacious remedy.

Repeat to Peking.

(Repeated to Rome, No. 19; copies sent to Paris and Washington.)

¹ No. 194.

³ See e.g. Nos. 189 and 196.

² No. 192.

⁴ See No. 196.

No. 203

Earl Curzon to Sir B. Alston (Peking)

*No. 23 Telegraphic [F 162/2/10]**

FOREIGN OFFICE, *January 14, 1921, 11 p.m.*

My telegram No. 14: Handley Page contract.¹

Treasury call attention to disastrous effect that would be caused if, as result of our action, contract were to go elsewhere; and in recent telegram to Aircraft Disposal Company their Peking representative states that he has documentary evidence that American Government considered similar Curtis[s] contract outside the scope of the consortium and not opposed to the arms embargo.

¹ No. 196.

Your attention has already been called to this danger (see final paragraphs of my telegrams Nos. 1² and 14¹), but in order to make our attitude quite clear serious attention of American Embassy here has been called to the matter. They have been told verbally of the difficulties which we have encountered in discouraging this contract, which, if allowed to go through, might well have wrecked the consortium policy; grave consequences of its now going to an American firm have been pointed out to them. If such a thing were to happen they would understand that our action would not only provoke the strongest criticism here but would be difficult to defend, and might even mar our joint attempts at a reconstructive policy in China. They were strongly urged to impress upon American Government the necessity of exerting their utmost endeavours to avert any such danger. This they undertook to do.

(Repeated to Washington, No. 23;³ repeat to Tokyo.)

² No. 189.

³ Foreign Office telegram No. 24 to Washington (not printed) re-emphasized the 'little short of disastrous' effect should the contract be taken up by an American firm. It instructed Sir A. Geddes to reinforce the representations from the U.S. Embassy in London 'by a frank discussion with the State Department so that there can be no possibility of any misunderstanding'.

No. 204

Sir C. Eliot (Tokyo) to Earl Curzon (Received January 17, 10.30 p.m.)

No. 21 Telegraphic [F 205/2/10]

TOKYO, January 16, 1921 [9 p.m.]

I addressed a note to Minister for Foreign Affairs in the sense of your telegrams Nos. 2¹ and 7² and yesterday spoke strongly (?to him) (?about the) proposal relative to³ arms embargo in China. He said he would not be in a hurry about pressing his proposal but he still regretted that he could not tell me that it was dropped. He said most of Japanese contracts were for delivery of arms to provincial Governors in Yang-Tze valley and he spoke of possible compromises such as delivering arms on the receipt of a guarantee that they would not be used for two years. I told him that I did not think His Majesty's Government would consent to any such compromises.

I am keeping United States Chargé d'Affaires informed but he has no instructions.

Sent by Peking.

¹ No. 190.

² No. 192.

³ The text as sent read: 'to relax'.

No. 205

Sir B. Alston (Peking) to Earl Curzon (Received January 16)

*No. 20 Telegraphic [F 181/181/10]**

PEKING, January 16, 1921

My telegram No. 521.¹

Having learnt Chinese Government were on the eve of concluding agreement with an American company for erection of high-power wireless stations in China, which must inevitably raise question of Cable Company's monopoly, I made personal enquiry of Minister of Communications, who practically admitted that report was accurate by begging to be excused from answering my questions. In reply to his counter enquiry as to my reasons for interesting myself in the matter, I referred in general terms to Eriksen's negotiations in London² and to Marconi contract of 24th May, 1919.³

Minister stated that Eriksen had only been authorised to enquire as to purchase of a cable-repair ship for Chinese Government, and disclaimed any knowledge of negotiations by him on other matters. As regards Marconi (Chinese National Wireless Company) rights, he promised to examine my claim that negotiations with Americans constituted breach of article 6 and article 12 of former's agreement.

I am entering formal protest and communicating with American Legation, but it would seem essential that Eastern Company's⁴ negotiations should now be transferred to Peking without further delay, and I should be glad of early instructions to enable me to clear matter up direct with Minister of Communications.

¹ No. 177.

² See No. 154.

³ See No. 177, n. 9.

⁴ i.e. the Eastern Extension Telegraph Co.

No. 206

Sir B. Alston (Peking) to Earl Curzon (Received January 17)

*No. 22 Telegraphic [F 189/179/10]**

PEKING, January 16, 1921

Canton telegrams from Shameen Nos. 1 and 2 of 15th July repeated to you.¹

Present threat of a section of the Southern Government to seize maritime custom-house on 1st February can only be regarded as part of desperate effort to re-establish a new separatist movement in the interests of a few discredited politicians, who, having fled from Canton to the safety of foreign settlements at Shanghai a year ago, have recently returned to renew the agitation for resumption of hostilities against the North, which the bulk of Southern people do not wish and for which there is no excuse.

¹ Not printed. Their date was in fact Jan. 15.

Whatever blunders the present Peking Government may have committed, they have at least abandoned hostilities, and by announcing convocation of new Parliament have gone more than half-way to meet the South and render the union possible, whereas the recent attempt of Wutingfang² and his fellow-extremists to renew strife only plays into the hands of militarists in the North and South, against whom public opinion throughout the country is certainly, if slowly, crystallising.

Whatever excuse may have existed for Southern threat in 1918 is entirely absent to-day, and I would urge that action approved in your telegram No. 484 of September 1918³ may be authorised for adoption in case of need now; reasons for resisting this contemplated assault on foreign interests are, if anything, stronger than ever, while the capacity of a divided Southern party to cause serious trouble is probably smaller (see last paragraph Canton telegram repeated in Peking telegram No. 757, 1918.)⁴

Peking Government have already appealed to *Corps diplomatique* to discontinue allocation of portion of customs surplus to the South on the ground that such division now only acts as incentive to disunion, and I have informed my colleagues that I share this view, and though latter have refused recent Southern application for payment of accumulated surplus already allocated, it remains to be seen how far they are prepared to go in refusing any future allocation.

If foreign influence is to have any effect in promoting union it should be exercised now in concrete form, for which Southern threat has given opportunity, and I will see my American, French and Japanese colleagues to-morrow.⁵

(Repeated to Canton for Hong Kong.)

² A Southern leader and Minister for Foreign Affairs in the Canton Government in 1918.

³ Not printed. The approved action, as proposed in Canton telegram No. 28 repeated in Peking telegram No. 757 of 1918, was as follows: '1. Ask Hong Kong Government to cause every package of cargo in transit for Canton to be discharged in Hong Kong, and to refuse entry to all cargo from here [Canton]. 2. Any other customs duties payable by British subjects to be paid to me [H.M. Consul-General at Canton] on account of Inspector-General of Maritime Customs. 3. If an attempt to oust commissioner by force [? were made] to place naval guard in custom-house on behalf of British owner (?s and) Inspector-General of Maritime Customs. 4. Stoppage of mails. . . .' (According to a Foreign Office minute of Jan. 18, 1921, most mails to and from Canton were conveyed in British ships.)

⁴ It was suggested in this paragraph that the first step in n. 3 above would suffice.

⁵ In his telegram No. 33 of Jan. 20 Lord Curzon approved the measures proposed and told Sir B. Alston to instruct H.M. Consul-General at Canton accordingly.

No. 207

The Japanese Ambassador to Earl Curzon (Received January 18)

No. 6 [F 206/78/23]

JAPANESE EMBASSY, LONDON, *January 17, 1921*

My Lord,

The note which Your Lordship was good enough to address to the Chargé

d’Affaires under date of December 22nd 1920, relative to the Shaw case,¹ was upon its receipt on the 28th December submitted, together with the Formula appended thereto,¹ to the consideration of the Japanese Government, and I also telegraphed home the substance of the conversation I had with Your Lordship on the next day with regard to the subject.

In reply, I now have the honour to state that Count Uchida desires to express to Your Lordship the willingness of the Japanese Government to accept the terms with the understanding that the Formula shall be kept strictly confidential and that the handing over through the British Ambassador of money to Mr. Shaw shall never be disclosed.

In thus giving the consent, Count Uchida wishes me to invite the attention of Your Lordship and remind the British Government that should Mr. Shaw return to the territory under Japanese jurisdiction while the case is pending, the action of the Judiciary may take its natural course. He further desires to point out that even in the event of a public announcement being unavoidably found warranted, any statement of such meaning as to be construed as if an attempt has been made by the Government to infringe the judicial power should not be made by all means. In view of the confidential nature which the Japanese Government naturally attach to the steps which are taken solely out of their earnest wish to conform as much as possible with the desire of the British Government, I am more than confident that Your Lordship will appreciate the anxiety of Count Uchida to prevent any cause which may lead to criticism against actions of the Government as trespassing upon the authority of the Judiciary. Your Lordship will no doubt be readily persuaded to make no such statement.

As regards the assurance given to Sir Charles Eliot, which Your Lordship mentions in Paragraph (3) of the note under review,² Count Uchida deems it his duty to make clear under what circumstances it was elicited. The assurance in question was not given unconditionally. When the Count verbally assured the Ambassador that no further proceedings would be taken against Mr. Shaw, the former so stated not failing to annex the condition at the same time that Mr. Shaw should leave Antung within a reasonable time as the Ambassador had privately given him to understand it was the intention of Mr. Shaw. This condition is clearly put down in the letter the Count addressed to the Ambassador on December 3rd, copy of which is in the possession of Your Lordship.³ The private assurance was given as outcome of circumstances then existing and therefore cannot justly be regarded and quoted as unconditional.

¹ See No. 180, n. 2.

² Para. 3 of Lord Curzon’s note stated in particular: ‘I would observe that as regards any condition of non-residence at Antung this was never raised by Baron Hayashi at my interview with him on November 8th [see No. 157], and in any case it is not one which His Majesty’s Government can even discuss. Moreover I feel bound to add that if Mr. Shaw were to return to Japan and proceedings were to be taken against him His Majesty’s Government would find themselves forced to re-open the whole issue and to quote Count Uchida’s assurance to Sir C. Eliot [see No. 156] in support of their contention.’

³ Untraced in Foreign Office archives.

The Imperial Government, sharing with Your Lordship the wish speedily to dismiss the case under consideration, have been making every possible effort with a view to reconcile the desire of the Government of the Ally with the judicial authority of Japan. They are therefore glad to be able to reach the final disposal of the case by accepting the revised Formula, as annexed, with the aforesaid understanding and observations which I permit myself to convey to Your Lordship.

I have, &c.

HAYASHI

No. 208

Sir B. Alston (Peking) to Earl Curzon (Received January 20)

*No. 23 Telegraphic [F 247/7/10]**

PEKING, January 18, 1921

Your telegram No. 20.¹

Identic note is being sent to Chinese Government 19th January,² second paragraph of which runs as follows:

'Text of Consortium Agreement, signed 15th October, 1920, at recent conference in New York, is being communicated by group of banks' [by the group banks']³ representatives to Ministries of Finance and Communications.'

Stevens, acting on behalf of American group, who originally wished to communicate text of agreement and resolution[s], has come to realise that it would be inadvisable to communicate text of latter. He suggests, and I agree, that it would be better to leave it entirely to banks when and how to communicate any part of resolutions.

I trust that you approve of my action. I considered it was essential to get note sent in and lose no further time.⁴

¹ Not printed.

² See Cmd. 1214 of 1921, No. 40.

³ Wording in Cmd. 1214.

⁴ Sir B. Alston's action was approved in Foreign Office telegram No. 40 of Jan. 24, not printed.

No. 209

Mr. Craigie¹ (Washington) to Earl Curzon (Received January 20)

*No. 34 Telegraphic [F 251/2/10]**

WASHINGTON, January 19, 1921

Your telegram No. 24.²

I have discussed this matter fully with Acting Secretary of State and Chief of Far Eastern Department, and impressed on them disastrous effect upon

¹ First Secretary in charge of H.M. Embassy at Washington during Sir A. Geddes' leave of absence, Jan. 16-Feb. 22.

² See No. 203, n. 3.

consortium and arms embargo policies were this contract to go to an American firm.

Reply of State Department is as follows:

'United States Government had originally considered that aeroplanes were included in arms traffic embargo. On hearing of Messrs. Vickers' contract of October 1919³ United States Embassy in London made enquiry, and were informed that His Majesty's Government approved contract, as it was 'for commercial aeronautical material wholly unsuitable for military purposes'. In the upshot some of these aeroplanes were delivered to the Chinese Ministry of War, and were actually used in fighting near Peking in the summer of 1920.⁴ They were subsequently captured by Military Governor of Manchuria.⁵ Contract now under discussion was first offered to an American Company, but fell through for business reasons. It was then offered to and accepted by the Handley Page firm through action of the former naval attaché at Peking.

'In September 1920 United States Government informed their Minister at Peking that they could no longer object to American citizens entering into contracts with Chinese for commercial aeroplanes, having regard to the attitude adopted in this matter by other Governments.⁶

'In the event of any fresh contract being made by an American firm for supply of aeroplanes to China, United States Government will make out⁷ contract itself and contemplated financial arrangement thereunder, in order to satisfy themselves that aeroplanes are not intended for military use and that arrangements for purchase do not conflict with consortium agreement. They do not see, however, how they can be expected to go further, seeing that their present policy is based on action originally taken by His Majesty's Government.'⁸

I gathered that negotiations for contract are not yet far advanced, and strongly urge necessity for delay until matter has been fully discussed.

Is Messrs. Vickers' contract still in operation, and could I be furnished with explanation in regard to alleged change in attitude of His Majesty's Government since 1919?

Despatch follows.⁹

³ See Vol. VI, Nos. 546, n. 1, and 566, n. 1.

⁴ Cf. Nos. 68, 69, 71 and 183.

⁵ i.e. Gen. Chang Tso-lin, see No. 128.

⁶ See No. 169.

⁷ The text as sent read: 'will scrutinize'.

⁸ For a memorandum on this subject sent by the State Department to Mr. Craigie on Jan. 18, see *F.R.U.S. 1921*, vol. i, pp. 537-9.

⁹ Washington despatch No. 61 of Jan. 19, not printed.

No. 210

Sir C. Eliot (Tokyo) to Earl Curzon (Received January 21, 6.45 p.m.)

No. 23 Telegraphic [F 259/78/23]

TOKYO, January 19, 1921

Shaw is still here and unwilling to go until he hears something definite.

Ministry for Foreign Affairs inform me that you and Japanese Ambassador have made an arrangement which includes an understanding that, so far as possible, no public statement will be made about case.¹ When you instruct me as to what I am to say to Shaw please remember that he will publish in Shanghai and elsewhere any communication which I make to him. He threatens to refuse bail money unless it is accompanied by satisfactory assurances. He asks for (? indemnity) of yens 130,000 but seems to understand that this claim presents difficulties.

According to Ministry for Foreign Affairs arrangement includes no assurance from Japanese Government that Shaw will not be summoned before Court at Seoul.²

Sent by Peking.

¹ See No. 207.

² In his subsequent telegram No. 40 of Jan. 29 (not printed) Sir C. Eliot reported that the Japanese Minister for Foreign Affairs had 'said more plainly than hitherto that judge would refrain from summoning Shaw only if he kept quiet'. At the same time Sir C. Eliot said that he would be 'glad of any information as to arrangement said to have been made in London' and reported that Mr. Shaw had 'left for Shanghai stating that he intends to do all in his power to rouse indignation against Japanese Government'. Lord Curzon's telegram No. 30 of Feb. 2 (not printed) informed Sir C. Eliot that this arrangement was still under discussion 'and full details will be telegraphed when a settlement is reached'. For the final settlement, see No. 265 below: Sir C. Eliot was informed of the agreed terms in Foreign Office telegram No. 82 of April 12, not printed.

No. 211

Sir B. Alston (Peking) to Earl Curzon (Received January 21)

*No. 28 Telegraphic [F 258/6/10]**

PEKING, January 20, 1921

Your telegram No. 17.¹

Minister for Foreign Affairs pleads that China is powerless to intervene as regards Chinese serving under Moscow Government, with which she has no relations, as Yourin only represents Far Eastern Republic, and latter's efforts to secure cessation of propaganda in China and protect Chinese, even in Eastern Siberia, have so far proved unavailing.²

¹ Of Jan. 12, not printed.

² The Foreign Office received on Feb. 28 copy of a despatch from the acting British Military Attaché at Peking (not printed, transmitted under cover of Mr. Clive's despatch

His Excellency denies any knowledge of recruiting in China, but claims that Bolsheviks on North Manchurian frontier are attempting to recruit Chinese in Russian territory in order to make trouble in Chinese territory.³

Can you inform me in what part of China recruiting is alleged to take place, as conditions vary widely in different sections of frontier.

No. 799, also not printed, of Dec. 8, 1920) in which he expressed the opinion that 'no recruiting for the Bolshevik armies is being done with the sanction of the Chinese Government'. He thought, however, that there were probably frequent cases of Chinese soldiers deserting in Manchuria 'and taking service with Red formations, under the inducement of promises of high pay held out to them by Bolshevik agents'. As regarded 'Chinese mercenaries now said to be serving with Bolshevik formations in Russia', he had been informed that these were the 'survivors of the Chinese Labour Corps which was organized in Russia during the war'.

³ In his telegram No. 19 of Feb. 7 (not printed) Count de Salis, H.M. Minister on special mission to the Vatican, transmitted a note received from Cardinal Gasparri, the Cardinal Secretary of State, drawing attention to 'the enlistment in the Bolshevik army of numerous Chinese, and to the menace to Europe resulting therefrom', and expressing the hope that H.M.G. would make representations to the Government of China. In Foreign Office despatch No. 48 of March 1 (not printed) Count de Salis was instructed to reply that 'since September last representations have been made on the subject, both through the Chinese Minister here and H.M. Legation at Peking, and that the Chinese Govt. has been steadily pressed to take what action they can in the matter'. For the representations in Sept., 1920, see No. 110.

No. 212

Report of the Anglo-Japanese Alliance Committee¹

[F 1169/63/23]

Secret

FOREIGN OFFICE, *January 21, 1921*

Introduction²

My Lord,

1. In accordance with the terms of reference, your Lordship's committee have examined the two following questions:

- (1) Whether the Anglo-Japanese Alliance should be renewed, and, if so, on what terms; and
- (2) The policy which His Majesty's Government should in future pursue in the Far East.

2. In addition to reviewing the situation in the Far East in the light of official records, we have taken the evidence of a number of witnesses possessing an intimate knowledge of the Far East in various capacities—official, commercial, naval, &c.

¹ This report underwent a number of revisions. The text here printed is that of the final version as circulated in Confidential Print. For earlier references to this Committee, see Nos. 97, n. 1, and 139.

² Note printed in filed copy: 'For the texts of the Anglo-Japanese Agreements of 1902, 1905 and 1911, see Annex I [not printed]. For the purpose of convenience these Agreements are referred to throughout the Report as the Alliance.'

3. In making our recommendations we have been mainly guided by the principles which have hitherto formed the basis of all British policy in the Far East, *viz.*, the maintenance of peace, the security of British possessions and interests in that part of the globe, the preservation of the independence and integrity of China and equal opportunity for all in matters of trade and commerce.

4. We have also taken into consideration our relations with the United States in so far as these may be affected by our policy in the Far East.

5. Briefly stated, the problem of the Far East may be said to hinge on the policy of Japan towards China. If we are to adhere to our traditional policy, we have regarded it as our special task to probe the fundamental question whether the policies of Japan and Great Britain are still sufficiently in harmony with each other to render the renewal of the Alliance on the basis of identic interests and common ideals practicable or, indeed, desirable.

6. The value of our recommendations will therefore depend as much upon a correct diagnosis of the present situation and the political events which have led up to it, especially since the Alliance first came into being in 1902, as upon an accurate forecast of the future.

7. It becomes necessary, therefore, to state in brief outline the main factors governing the relations between China and Japan.

China

8. The vast size of China and her teeming population entitles her to be regarded rather as a continent than a country, an agglomeration of nations rather than a single nation. In natural resources she is immensely wealthy, and therefore attracts the covetous eyes of her less-favoured neighbour, Japan. Her political system is that of a democracy loosely knit together and nominally controlled from the centre, but the political immaturity of her people and their strongly-marked liking for provincial independence, coupled with lack of proper means of communication, reduces the Central Government to virtual impotence. Though her civilisation ranks among the most ancient in the world, her history from time immemorial has been one of internecine strife and of political turmoil. The disappearance of the Empire, with its unbroken record of 2,000 years, consequent on the revolution of 1911, followed by the establishment of a republic under the Presidency of Yuan Shi-kai, was the first sign of a regeneration of China on modern lines, but the death of the latter in 1916 plunged the country once more into political chaos, and has left it more distracted and disunited than ever. The absence of leadership, and the general confusion from which the whole Chinese polity is now suffering, hold out little promise of any real stability of Government within measurable distance of time.

9. Potentially strong, but politically weak, China must, in our opinion, unless she receives foreign support, continue to remain a standing temptation to the Japanese policy of absorption. There are, nevertheless, unmistakable indications of a national awakening, and especially of a marked diminution in the xenophobia of the past.

Japan

10. Inasmuch as the future of the Far East pivots on the policy of Japan, the political and economic situation of that country calls for very special attention.

11. In building up her national institutions, Japan has pursued a policy of eclecticism. Her military and educational systems, and much of her constitution, have been moulded on the German pattern. In naval and largely in commercial matters she has followed England, while to France she owes much of her judicial system.

12. In the course of our investigations we have been much struck with the close resemblance between the rise of Japan and the growth of the German Empire, not only as regards the conditions in which both countries originally found themselves, but more especially in regard to the methods employed in developing an imperialistic policy.

13. It is not unnatural that the Japanese should have shown themselves such ardent admirers of Germany. There is much in common between the mentalities of the two peoples. The Japanese possess the same inborn love of order, of exactitude, of discipline and of thoroughness, the same thirst for knowledge, the same exalted ideas of patriotism, and they labour under much the same economic incentives. They equally share the limitations of their Western prototypes—showing the same lack of psychological insight, of individual resourcefulness and of political vision. We are therefore not surprised to find that the Japanese have developed the same aggressive tendencies in the Far East as Germany before the Great War.

14. In order to gain a clear conception of the possibilities which confront us in the future, we consider it of the first importance to examine the two following points:

- (1) The motives which underlie Japan's policy in the Far East.
- (2) The means at her disposal for giving effect to that policy.

15. As regards the first point, Japan's policy is mainly dominated by economic considerations, which account for its expansionist tendency. Japan is an industrial State of comparatively modern growth, but she is limited in area, exceedingly poor in natural resources and incapable of supporting a rapidly growing population. She consequently aims at control over the supply of raw materials and foodstuffs, security of markets for her manufactured goods and outlets for her increasing population. Japan stands little chance of industrial survival unless she can obtain control over the resources of China, who therefore will remain the principal objective of her policy.

16. As regards the second point, Japan is especially favoured for giving effect to her expansionist policy, partly by her Constitution and partly by her internal economic organisation. Her Constitution amounts to an all-powerful oligarchy, nominally subject to, but in reality independent of, parliamentary control, while her bureaucracy exercises an all but absolute authority over the entire economic life of the country. In few, if any, countries has centralisation and the subordination of all national forces to the will of Government been carried so far as in Japan.

17. A brief retrospect, beginning in 1894, well illustrates the steady growth of Japanese power at the expense of China. Not only has she annexed Korea, Formosa and the Pescadores, thus fencing in China with a chain of islands stretching from Kamchatka to the Straits of Formosa, but Manchuria has virtually become a Japanese Protectorate, and Shantung and Fukien are now both threatened with a similar fate. But of all Japan's actions the presentation to a defenceless China in the early part of 1915 of the famous twenty-one demands stands out as the most convincing evidence of her real intentions. Had these demands been accepted in their entirety, China would have been reduced to a vassal State of Japan. That Japanese ambitions go even further, and aim at the hegemony of the Far East and the Pacific, is shown not only by Japanese propaganda at home and abroad, but by the system of Imperial thinking circulated in all Japanese schools and the writing of Japanese Bernhardis.³ We need not dwell upon the world-wide effect of the eventual control by Japan of the man-power and resources of China.

18. All Japanese activities, be they military, political or economic, have so far resulted in the closing of the open door and the exclusion of foreign competition.

19. We frankly recognise that for Japan expansion is a vital necessity. We cannot, however, conceal from ourselves that, whatever justification she may have, her aims have revealed an increasing variance from the principles for which British policy has always stood, and upon which the Alliance is founded. The result of this process has been to produce a situation which compels us to ask the question whether such a divergence of policy does not preclude a renewal of the Alliance. We wish to reply at once to the criticism that the absence of any Alliance will remove all restraint on Japanese expansion by saying that in the opinion of all competent observers the Alliance has never acted as an effective brake on Japanese activities; but we admit the force of the criticism to the extent of suggesting an alternative in the form of an *Entente* between Great Britain, Japan and the United States of America.

20. We recognise that in eliminating the power of Russia, and in checking the ambitions of Germany, the Alliance in the earlier days fulfilled its purpose, but we are now confronted with a new set of circumstances. The disappearance of these two Powers as political factors in the Far East furnishes an additional reason against renewal.

21. We feel, moreover, that it would not be wise to ignore the possible effect upon China of renewal of the present agreement. The Alliance has never been popular with the Chinese, and it is probable that its renewal, or indeed the conclusion of any alternative agreement without previous consultation with them, especially when following so closely on their Shantung disappointment, may create greater resentment. We do not wish to exaggerate the danger, but we have only recently seen how effective a weapon was the boycott when applied to Japanese trade in China. We ourselves

³ The reference is to Gen. Friedrich v. Bernhardi (1849-1930), German military writer and author of a well-known book called *Deutschland und der nächste Krieg* ('Germany and the Next War'), published in 1912.

narrowly escaped a similar experience when our commitments to Japan in the matter of Shantung were first published to the world in 1919. Our predominant position in China is founded on commerce, and anything in the nature of a boycott of British goods would entail the most serious consequences to British interests in the Far East and only benefit our rivals in trade. It would, moreover, in our opinion, be wise to avoid anything that might alienate the sympathy and goodwill of the Chinese people, which constitute the largest and most pacific unit in Asia.

22. A further and new factor is the League of Nations, in the promotion of which this country has taken a prominent, if not the foremost, part. Although a defensive Alliance does not necessarily conflict with the covenant, renewal seems hardly in harmony with its spirit. It must be remembered that the American Senate took the view that the Anglo-American-French Alliance was not compatible with the League covenant.⁴

23. To forecast the future course of events in the Far East is not a mathematical problem, and must at best remain no more than an intelligent estimate of probabilities, but if the lessons of the past can teach us anything in regard to the future, it is that given the circumstances as described above, we have before us all the elements of a future upheaval. Unfortunately, we cannot hope for a change of policy on the part of Japan. On the contrary, there is every indication of a desire on her part to intensify her activities. She has amassed great wealth during the war, and from a debtor has become a creditor nation. Moreover, her expenditure on armaments for the next few years is on an unprecedented scale.

24. If the present programmes of naval expansion are maintained in Japan and the United States of America the prospect of a reduction in British naval expenditure remains remote. We do not claim for an *Entente* that it would be a substitute for an adequate naval force, but we hold that its tendency would be to discourage, rather than encourage, naval competition among its members. Indeed we feel bound to add that, pending the conclusion of such an understanding, His Majesty's Government are faced with heavy naval obligations in view of the Japanese and American competition, unless they are prepared to relinquish their traditional position in the Far East.

25. In making this suggestion we have given the fullest consideration to the views expressed by Sir C. Eliot, Sir A. Geddes and Sir B. Alston (see Annex IV).⁵

26. We now come to an aspect of the matter which, in our judgment, outweighs in importance all other considerations, and to which we wish to call the most serious attention of His Majesty's Government. If the cardinal feature of our foreign policy in the future is to cultivate the closest relations

⁴ The reference is to the Treaties of assistance to France in the event of unprovoked aggression by Germany signed by Great Britain and U.S. in June 1919. The Franco-U.S. treaty was not ratified. See *B.F.S.P.* vol. 112, pp. 213-18.

⁵ This Annex (not printed) reproduced the telegrams printed above as Nos. 162, 175 and 181 as well as Sir B. Alston's unnumbered telegram of Dec. 30 to Mr. Wellesley. This last is not here printed, but the views to which it referred were more fully expressed in Vol. VI, No. 522 and in No. 80 in the present Volume.

with the United States and to secure their whole-hearted co-operation in the maintenance of peace in every part of the world, the renewal of the Alliance in anything like its present shape may prove a formidable obstacle to the realisation of that aim.

27. We now pass on to the consideration of the second point of the terms of reference, viz.: 'The policy which His Majesty's Government should in future pursue in the Far East.'

28. We have no fault to find with the principles which have hitherto determined our policy in the Far East, nor do we recommend any departure from them, but we do hold strongly that a purely passive attitude, even with physical force behind it, is not best calculated to uphold them. In the last analysis the independence and integrity of China, which is among our foremost aims, depends upon the reality or otherwise of the open door policy. That is the crux of the whole situation. All forms of economic penetration are opposed to that principle, for they ultimately lead to the closing of the door and the usurpation of political control. Experience has shown us that neither military or naval force, nor any treaty formula can, in themselves, be regarded as a sufficient safeguard against that insidious method of political encroachment. Salvation must, therefore, be sought elsewhere. In our opinion, the best safeguard against a danger which lies as much in the weakness of China as in the aggressive tendencies of Japan, is to be found in a constructive policy for the rehabilitation of China. It would carry us too far to enter into the details of such a policy, but suffice it to say that it has already been outlined in its main features and remains on record (see Annex II).⁶ Its beginnings may already be perceived in the formation of the Four Powers' Consortium. We would, however, repeat that in our opinion it would be hopeless to embark upon such a policy singlehanded, or without adequate naval support. Japan could thwart us at every turn. The war has left us too exhausted to cope with so great a problem. To succeed in such an effort we believe the co-operation of the United States to be indispensable. American ideals in China are identical with our own. Neither Power seeks territorial aggrandisement or privileged position. Both are actuated by a feeling of goodwill towards China and a genuine desire for peace in the Far East as elsewhere.

Recommendations

29. A careful consideration of all the arguments, both for and against renewal of the Alliance, has resulted in the unanimous conclusion that it should be dropped, and that in its stead should, if possible, be substituted a Tripartite *Entente* between the United States, Japan and Great Britain, consisting in a declaration of general principles which can be subscribed to by all parties without the risk of embarrassing commitments. For similar declarations already exchanged between foreign Powers and Japan, see Annex III.⁷

⁶ The document attached as Annex II was a copy of Sir J. Jordan's despatch No. 564 of Dec. 23, 1918, printed in Vol. VI, Chap. II, pp. 566-83.

⁷ Annex III contained copies of (i) the Franco-Japanese Agreement of June 10, 1907,

For the effective support and the ultimate success of those principles we must rely on the closest co-operation with the United States rather than with Japan.

30. In submitting these recommendations to your Lordship we desire to add that we have approached the question not solely as a matter affecting the Far East, but from the broader standpoint of world politics, which are dominated by our relations with the United States as constituting the prime factor in the maintenance of order and peace throughout the world.

31. In the regrettable event of America finding it impossible to enter into any sort of arrangement with us such as indicated above, we would suggest as an alternative the conclusion of an agreement with Japan, brought up to date and in harmony with the spirit of the League of Nations, and so framed as not to exclude the eventual participation of the United States.

We have, &c.

W. TYRRELL⁸

CONYNGHAM GREENE

J. N. JORDAN

VICTOR WELLESLEY

(ii) the Takahira-Root exchange of Notes of Nov. 30, 1908, and (iii) the Ishii-Lansing Agreement of Nov. 2, 1917. For the text of (i) see *B.F.S.P.*, vol. 100, pp. 913-14; of (ii) cf. No. 97, n. 10; of (iii) see H. W. V. Temperley, *History of the Peace Conference of Paris*, vol. vi (London, 1920), chap. iv, p. 376, and *B.F.S.P.*, vol. 111, pp. 696-702.

⁸ An Assistant Under-Secretary of State for Foreign Affairs.

No. 213

Earl Curzon to Sir B. Alston (Peking)

No. 37 Telegraphic [N 924/579/57]

FOREIGN OFFICE, *January 24, 1921, 6 p.m.*

Tokio telegram No. 15.¹

Vladivostock telegram No. 143.²

His Majesty's Government have had under consideration the question of the disposal of British merchants' goods at Vladivostock, and of trading with the Far Eastern Republic.

2. There is no objection to British merchants disposing of their stocks at Vladivostock to the Far Eastern Republic, and in view of the fact that these goods have been detained there through no fault of the traders, you should give what assistance you properly can to merchants desiring to liquidate their position. You should, however, make it quite clear that His Majesty's Government can accept no responsibility regarding the eventual payment by the Far Eastern Republic.

¹ Of Jan. 12, not printed. This had reported an enquiry by British firms whether there was any objection to their entering into direct trade relations 'with Governments of Trans . . . [the text here was uncertain] Amur and Primorsk Provinces'.

² Of Dec. 24, not printed.

3. With regard to other transactions with the Far Eastern Republic there is no objection to British traders entering into trading relations with this Government entirely at their own risk. They should, however, be warned that His Majesty's Government cannot undertake to afford them any assistance in the event of their incurring loss through any action on the part of the Far Eastern Republic Authorities.

4. Both the foregoing decisions do not apply to arms, munitions and goods of an essentially military character.

5. In the event of a trade agreement being concluded with the Soviet Government at Moscow such agreement will not necessarily apply to the territory of the Far Eastern Republic. This question is being kept for subsequent discussion.

Addressed to Peking No. 37. Please repeat to Tokio No. 21 and Vladivostock No. 8.

No. 214

Sir B. Alston (Peking) to Earl Curzon (Received January 25)

*No. 33 Telegraphic [F 295/45/10]**

PEKING, January 24, 1921

Washington telegram No. 849.¹

British representative on technical board of Chinese Eastern Railway represents that financial situation is extremely critical, owing principally to great falling off in traffic receipts for the winter months. Acting chairman of board recently sent personal letter to representative of United States consortium group recently arrived in Peking, emphasising that railway cannot continue to work much longer without substantial relief, and that present situation is playing into hands of Japanese.

General Beckett's last report places Allied Government's debts to Chinese Eastern Railway at nearly 6,000,000 gold dollars.

No financial assistance for railway has materialised from new contract between Chinese Government and Russo-Chinese Bank.²

¹ No. 185.

² See No. 127.

No. 215

Sir B. Alston (Peking) to Earl Curzon (Received March 8)

No. 37 [F 851/81/10]

PEKING, January 24, 1921

My Lord,

Mr. Clive's despatch No. 725 of November 3rd¹ reported the disappearance from Canton of what had previously been the independent Military Govern-

¹ Not printed.

ment of the South, and, simultaneously therewith, the issue by the President of the Republic of Mandates proclaiming reunification and summoning a new Parliament. The first of these documents has remained a dead letter so far as Kuangtung and Yunnan are concerned; Sun Yat-sen, T'ang Shao-yi and Wu T'ing-fang² returned to Canton on the 29th November and there again formed an independent Military Government, whose authority is recognized by Ch'en Ch'ung-ming³ and, nominally at any rate, by T'ang Chi-yao.⁴ On the 29th December mandates were issued by Peking appointing Lu Jung-ting Director General of Kuangtung Frontier Defence and confirming the appointments of his two subordinates who hold the positions of Military and Civil Governor of Kuangsi. On the following day mandates were issued confirming Liu Ts'un-hou as Military Governor and appointing Hsiung K'o-wu Civil Governor of Szechuen. The return to the Northern fold of those two provinces was thus formally signalled.

Shortly after the expulsion of the Yunnanese from Szechuen the Military Governor of Kueichow entered into negotiations with the Szechuen authorities with a view to his likewise reaching an understanding with the Peking Government. These negotiations were interrupted by the forcible expulsion of the Governor. His successor has resumed efforts to arrive at an understanding with Szechuen, but whether these negotiations result in the return of the province to its allegiance to the Central Government depends upon eventualities in Kuangtung, Kuangsi and Yunnan provinces.

The situation in Hunan likewise remains unsettled. The popularity of T'an Yen-k'ai, who became Military Governor on the re-conquest of the province from the North, did not long survive his efforts to raise the revenue necessary for the upkeep of his forces from a province bled white by the series of Northern and Southern rulers who have succeeded one another as the tide of civil war moved backward and forward. On the 23rd November he handed over charge to General Chao Heng-ti who, like himself, was in favour of reunion with the North and opposed to the Canton radicals. Since that date further rebellions have taken place. General Chao, having executed his opponents wholesale, still holds on to his post but his tenure is precarious and so far no overt act of union with the North has taken place.

In Canton itself the establishment of the new Military Government is believed to be viewed with much disfavour by influential sections of Cantonese and there is a strong probability that the disagreement known to exist between Ch'en Ch'ung-ming and the radical clique of Sun Yat-sen and his friends will lead to fighting between the forces owing allegiance to each.

Measures continue to be taken to carry out the Mandate convoking a new Parliament. With the best will in the world elections at a time like the present, with famine raging in North China and internecine warfare still

² Dr. Sun Yat-sen had been Provisional President of the Republic of China in 1911 and Mr. Tang Shao-yi had been a Director of the Canton Government in 1918. Cf. No. 152, n. 3. Dr. Wu Ting-fang had been Minister for Foreign Affairs in the Canton Government in 1918. Cf. No. 206.

³ See No. 152.

⁴ Tuchun and Civil Governor of Yunnan.

continuing or just suspended in the South, can be but a farce. The opinion is widely held that the Parliament will never meet.

No term has yet been set to the intrigues mentioned in Mr. Clive's despatch No. 725 arising in connection with the appointment of a successor to the Military Governorship of Kiangsu. These form one out of many possible causes of fighting between the victors, who lately combined to destroy the Anfu clique.

The demand for funds wherewith to nourish the military monster which is devouring this country becomes ever more insistent. Men like Chang Tso-lin and Tsao K'un,⁵ who have amassed and invested millions, are at their wits' end for ready cash; the second named has found a temporary source of supply by holding up grain, brought down from Manchuria free of freight for 'famine relief', until the price rises even higher, or by selling it at a profit to foreign relief societies.

With few exceptions the payment of the troops is months in arrears. This has led to outbreaks in many parts of China on the part of the soldiery, who no longer carry off their loot and disband themselves, but return to barracks and remain a terror to those for whose defence they should exist. In one month ten such outbreaks occurred in the single province of Hupeh, leading to looting and burning of cities and towns; the worst case was that which occurred at the Treaty Port of Ichang, and has led to claims on the part of foreign merchants alone for over a million dollars damages; on this I shall have the honour to report separately.⁶

The year on which China has entered thus opened with black prospects. Under such conditions questions such as the recovery of rights conceded to foreigners, the extension of education, the improvement of communications and the development of the judiciary, which still occupy the minds of many Chinese, have only an academic value. The one problem of which the solution is a pre-requisite, the destruction of China's military vampires, continues to grow more and more portentous.

I have, &c.

B. F. ALSTON

⁵ Inspector-General of Chihli, Shantung and Honan forces.

⁶ Sir B. Alston reported on the outbreak at Ichang in his despatch No. 46 of Jan. 28. See No. 305 below, n. 1.

No. 216

Sir B. Alston (Peking) to Earl Curzon (Received January 26)

*No. 34 Telegraphic [F 313/179/10]**

PEKING, January 25, 1921

Your telegram No. 33.¹

Corps diplomatique have to-day, as suggested, instructed Consular Body at Canton to inform Dr. Wu² that no interference with existing customs administration will be tolerated.

¹ Of Jan. 20, not printed; see No. 206, n. 5.

² i.e. Dr. Wu Ting-fang; see No. 215, n. 2.

They have further been instructed to concert with Commissioner of Customs measures for preventing customs revenue reaching Southern Government if above intimation is disregarded.

Confidential

I have instructed His Majesty's consul-general to restrict himself to measures approved in 1918 indicated under points two and three of Canton telegram No. 28 of 1918,³ and only in last resort ever . . .⁴ recourse to one and four.

³ See No. 206, n. 3.

⁴ The text is here uncertain.

No. 217

Sir C. Eliot (Tokyo) to Earl Curzon (Received January 28)

*No. 36 Telegraphic [F 346/2/10]**

TOKYO *January [27], 1921 [11.15 a.m.]*

Your telegram No. 13.¹

I gave Minister for Foreign Affairs full explanation of His Majesty's Government's action respecting Handley Page contract to-day, having been unable to do so before owing to delay in communications with Peking, and spoke to him in the sense of your telegram.

Although he showed more inclination than on previous occasions to accept our point of view, I was unable to obtain any satisfactory assurance that proposal for relaxing embargo would be definitely dropped. He said Cabinet were considering the matter, and that he would send a reply to my note.

¹ No. 202.

No. 218

Earl Curzon to Mr. Craigie (Washington)

*No. 42 Telegraphic [F 251/2/10]**

FOREIGN OFFICE, *January 28, 1921, 3 p.m.*

Your telegram No. 34.¹

Position, if I interpret attitude of American Government correctly, is serious. Counsellor of American Embassy has been warned that, if United States Government persist in their attitude, we may well have to reconsider our decision and allow Handley Page to close with their contract. Much as we might deplore such a step—which might well imperil our new policy in China as exemplified in the consortium agreement—yet it would after all merely anticipate effect which American Government's contemplated action was calculated to have. By countenancing acquisition of the contract by a British firm we should at least be spared the odium and criticism which we

¹ No. 209.

should inevitably and justly reap if our action merely resulted in its going to an American firm. It was no argument whatever to contend that, because Messrs. Vickers had secured a contract in 1919—long before our consortium commitments, State Department did not see why an American firm should not now be debarred from accepting a similar contract if offered them: conditions were radically changed, and both Governments were pledged to a reconstructive policy in China; moreover, State Department seemed to fundamentally misunderstand position, and to forget that Handley Page contract had already been actually secured by British firm. If we were surrendering it, it was only in the interest of our common general policy in China, and State Department must surely recognise our *bona fides* in doing so. Counsellor was urged to make every effort to induce his Government to reconsider their attitude, which could only end by seriously jeopardising consortium policy and all it stood for.

As regards specific enquiry in last paragraph of your telegram, Vickers contract is still under completion, and fact that loan for financing it has been subscribed by British investing public renders it impossible in any case now to interfere with it. But it cannot be too strongly emphasised that it is a purely commercial contract (see my telegram No. 18 of 1920 to Tokyo,² which was repeated to you in my telegram No. 46 of the 12th January, 1920), and the type of machine supplied is a purely commercial type. It necessarily remains so, irrespective of the fact that some of them were seized by the Chinese military governors in the fighting at Peking last summer, who have since proved themselves incapable of using them. There has been no evasion of the arms embargo, and it is not on embargo but on consortium grounds that we have refused to countenance Handley Page contract. This point has been made clear in exchange of notes with American Ambassador, of which copies are now on their way to you.³

You should make representations accordingly to American Government.

I am purposely keeping question of arms embargo separate, and sending you full instructions by despatch on 28th January as to action to be taken with United States Government in that respect.⁴

(Repeated to Paris, and Peking, No. 46, for repetition to Tokyo, No. 26.)

² Vol. VI, No. 665.

³ The reference is to a note of Jan. 10 from the U.S. Ambassador, based on the instructions from the Acting Secretary of State printed in *F.R.U.S.* 1921, vol. i, p. 536, and to Lord Curzon's reply of Jan. 22 (see *ibid.*, pp. 542-4).

⁴ No. 221 below.

No. 219

Earl Curzon to Sir B. Alston (Peking)

*No. 47 Telegraphic [F 313/179/10]**

FOREIGN OFFICE, *January 28, 1921, 5 p.m.*

Eugene Chen, who describes himself on his card as late Counsellor to the

Chinese delegation at Geneva, called on 27th January and endeavoured to communicate copies of telegrams from Southern Government, whose unofficial representative he claimed to be.

He was informed that any communications Southern Government might wish to make should pass through Peking, and that we could have no direct dealings with Southern Government. He entered into long disquisition as to reasons why old arrangement whereby Southern Government received their quota of customs surplus should fairly be revived. He was told that was a matter for consideration in first instance by the Diplomatic Body in consultation with the Chinese Government and could not be discussed here. Finally he was warned that any attempt on part of Southern Government to interfere with the Customs Administration would entail most serious consequences. Before leaving he hinted that Southern Government would before long seek to secure recognition as *de facto* Government of the South.

(Repeat to Tokyo; copies sent to Paris and Washington.)

No. 220

Earl Curzon to Sir B. Alston (Peking)

*No. 49 Telegraphic [F 181/181/10]**

FOREIGN OFFICE, *January 28, 1921, 6 p.m.*

Your telegram No. 20.¹

Whole question is under consideration, in consultation with other Departments concerned, and final instructions will be sent to you as soon as possible.

In the meantime Mr. Bullard² leaves for Peking at once *via* America, and is due in China by end of February.

As regards American contract, Mr. Isaacs³ states that contracting company are American Federal Company, which were a moribund concern, and which he suspects of having been resuscitated by American Government for express purpose of breaking preferential position enjoyed by Marconi's under Chinese National Wireless Telegraph Company's charter. This American company will be bound to use the Polsen arc system, which, under special arrangements, is exclusive property of Marconi Company anywhere outside America. In other words, American contract will be fulfilled by means of pirating Marconi rights in China, but, in absence of any effective patent law in China, Mr. Isaacs sees no way of stopping them. Position is so preposterous that Mr. Isaacs hinted at withdrawing altogether from co-operation with so disloyal a partner as Chinese Government.

You have full authority to make strongest representations to Chinese Government. It will be impossible for British firms of good standing to do

¹ No. 205.

² A former representative of the Eastern Extension Telegraph Co. in China, now being sent out again to negotiate on the Company's behalf.

³ Mr. Godfrey Isaacs, Managing Director of the Marconi Co.

further business with them if they show such complete disregard of their solemn obligations.

Question of possible amalgamation of British wireless and cable interests has not yet been mooted until views of other interested departments have been received, but matter will receive attention.

In the meantime you should ascertain from Chinese Government whether they officially and definitely disclaim overtures made here by Ericksen [*sic*],⁴ who, according to Eastern Extension Company, is due back at Shanghai very shortly.

⁴ See No. 154.

No. 221

Earl Curzon to Mr. Craigie (Washington)

*No. 136 [F 257/2/10]**

FOREIGN OFFICE, *January 28, 1921*

Sir,

I have already forwarded to you in my despatch No. 106 of the 24th January copies of recent notes exchanged with the American Ambassador respecting the enforcement of the arms embargo in China.¹

2. Telegraphic correspondence with His Majesty's representatives at Peking and Tokyo, ending with Sir B. Alston's telegram No. 25 of the 19th January,² has also been repeated to you, so that you are to some extent aware of the issues involved.

3. In order to place you more fully in possession of the position up to date, a copy is enclosed of a departmental memorandum showing the state of the question at the beginning of December last.³ This has since been modified by the information supplied in Sir G. Buchanan's despatch No. 1016 of the 29th December, of which a copy is also enclosed,⁴ in connection with which it should be read.

4. Briefly the situation is as follows: In May 1919 the various Powers came to an agreement effectively to restrain their subjects and citizens from exporting to or importing into China arms and munitions of war until the establishment of a Chinese Government whose authority was recognised throughout the whole country. Upon that agreement the Powers have since been acting; but owing to violations by Italian nationals, the door has been opened to occasional attempts at further evasions of the embargo. I would refer you in this connection to my telegram No. 18 of the 10th January, 1920, to Mr. Alston, then in charge at Tokyo, of which a copy was forwarded to His Majesty's Embassy at Washington at the time.⁵

¹ For these notes of Jan. 10 and 22, cf. No. 218, n. 3.

² Not printed. In its first paragraph Sir B. Alston had referred to the great efforts of the present Canton leaders to win over the Yangtze provinces, and had said that the threat of the Japanese Government to release arms at this juncture was therefore 'ominous'.

³ Of Dec. 9, not printed.

⁴ See No. 192, n. 3.

⁵ Vol. VI, No. 665; cf. No. 218, p. 232.

5. The first of these attempts, made by the Japanese Government, was prevented by strong representations from His Majesty's Government. But again, during the fighting in North China of last summer, further evasions of the embargo by Italian nationals were brought to light, and, profiting by this opportunity, the Japanese Government have now reopened the question.

6. His Majesty's Government are more fully convinced than ever, in view of the experience of last summer, that the strict maintenance of the embargo is essential in the interests of a united China; this they feel sure that the American Government, equally with themselves, still have at heart. His Majesty's Government have instructed His Majesty's Ambassador at Tokyo to make the strongest representations to the Japanese Government against any relaxation, and this he has already done;⁶ but in order to strengthen those representations, both Sir C. Eliot and Sir B. Alston were authorised to keep their United States colleagues informed of developments, in the hope that the latter might suggest to their Government the advisability of taking appropriate action at Tokyo.

7. Mr. Davis's note of the 10th January, already in your possession,¹ fully confirms the impression of the American Minister at Peking, as reported in Sir B. Alston's telegram No. 21 of the 16th January,⁷ that the United States Government are lukewarm towards the embargo, and renders it all the more necessary that immediate steps should be taken to remove any doubts they may entertain as to the issues now at stake.

8. If the United States Government are indeed in doubt as to the gravity of these issues, you are authorised verbally to bring to their confidential knowledge the contents of the first paragraph of Sir B. Alston's telegram No. 25 of the 19th January,² already repeated to you. It is to be hoped that, in view of the serious situation thereby revealed, the American Government will no longer hesitate to give their fullest support in the present endeavour to counter any attempt at relaxation of the arms embargo.

9. Throughout this correspondence it is evident that what has rankled with the American Government has been the Vickers aeroplane contract. His Majesty's Government do not admit that that contract constitutes any infringement of the arms embargo for the reasons already explained to you in my telegram No. 42 of to-day.⁸

10. As stated in the contract itself, it is for the provision of a 'commercial type' of aeroplane. The contract was signed with the duly authorised representative of the Chinese Government and not with the Ministry of War, and the mere fact that some of the machines were seized during the fighting round Peking last summer by certain Chinese generals, who have since proved incapable of using them, constitutes no evasion of the arms embargo.

11. The following extract of a telegraphic report from Sir B. Alston, dated the 14th December last,⁹ may be of interest to the American Government:

'Only one Handley-Page machine was used on one occasion for bomb-

⁶ See Nos. 190, 192, and 204.

⁷ Not printed.

⁸ No. 218.

⁹ No. 183.

dropping by an intoxicated Swiss mechanic, who, alone of company's employees, ignored written instructions of this Legation, and was immediately dismissed in consequence. No British machines were used for reconnaissance purposes, and best proof of efficiency of drastic and continuous measures taken by British authorities is to be found in the fact that, with this single exception, no British machine has been used for military purposes up to date.'

12. In this connection it is worthy of note that, according to information received from His Majesty's Legation in Peking, American aeroplanes were actually used in the fighting in South China (see enclosed printed copies of Mr. Clive's telegrams No. 461 of the 29th October¹⁰ and No. 499 of the 24th November last),¹¹ and on at least one occasion were employed in dropping bombs at Canton.

13. If, in spite of all that has been said above, the State Department persist in their point of view, you can in addition refer them to the communication which His Majesty's Ambassador at Washington doubtless made to them on receipt of my despatch No. 127 of the 4th February, 1920,¹² notifying them that His Majesty's Government did not consider that aircraft fell within the scope of the Arms Traffic Convention unless fitted or supplied with guns or bombs, bombing apparatus or ammunition. From that expression of view the United States Government have never, so far as I am aware, recorded their dissent; and though it was adopted by His Majesty's Government quite independently of any question of the arms embargo in China, yet its bearing upon the point under discussion is evident.

14. It should be made quite clear to the State Department that it is for considerations based rather on consortium than embargo grounds that His Majesty's Government have refused to countenance the recently concluded Handley-Page contract, and it is important that the United States Government should realise the distinction which is drawn by His Majesty's Government. The point has already been fully explained to Mr. Davis in my note of the 22nd January, of which a copy has already been forwarded to you in my earlier despatch,¹³ and has been further developed in my telegram No. 42 to you of to-day.¹⁴

15. The question of the maintenance of the arms embargo was fully and frankly discussed with the Counsellor of the American Embassy by Mr.

¹⁰ See No. 168, n. 1.

¹¹ No. 170. In his subsequent despatch No. 303 of June 2, 1921 (not printed), Sir B. Alston wrote that 'all the American machines sold to China during the past year have . . . been used exclusively for military purposes, having been purchased by provincial governments at war with the Central Government whose intentions in buying aircraft cannot have been doubtful for a moment. Whereas the strictest precautions have been taken to prevent the possibility of the British airmen in China contributing their services directly or indirectly to any warlike operations, there is no evidence that the United States authorities have attempted to exercise any similar control over their own nationals'

¹² Not printed. For Mr. Lindsay's communication of Feb. 25, 1920, see *F.R.U.S.* 1920, vol. i, p. 204.

¹³ i.e. No. 106 of Jan. 24; see § 1 above.

¹⁴ See n. 8 above.

Wellesley on the 25th January. Mr. Wellesley impressed upon him the disastrous effect which its abrogation or relaxation would have. He expressed difficulty in understanding how the United States Government reconciled their attitude as regards the embargo with their declared consortium policy, the avowed object of which was to restore law and order in a reunited China, and thus to ensure stability of Government; whereas the unrestricted export of arms to China in her present state of turmoil and internecine strife could only serve to hasten her disruption. Finally, Mr. Butler Wright was informed very confidentially of the substance of Sir B. Alston's telegram No. 25¹⁵ in proof of this contention.

16. Mr. Butler Wright appeared fully to appreciate the force of this argument, and said he would lose no time in making strong representations to his Government. He seemed to think that the real difficulty arose not so much from the alleged violations of the embargo as from the fact that the export prohibition of arms from America was effected under wartime legislation which was likely to be abrogated. In reply to this, it was urged that it was surely not impossible for his Government to pass some other enactment to meet the needs of the case.

17. Finally, Mr. Butler Wright undertook to make full representations to the State Department by despatch, and that he would in the meantime telegraph to them asking that no steps should be taken pending its receipt.

18. In order to reinforce whatever representations the American Ambassador here may have made, you should now see the State Department and speak to them frankly and fully in the sense of this despatch, explaining the necessity of maintaining the present restrictive measures and the importance which His Majesty's Government attach to the continuance of the present arms embargo in China. If the United States Government have the true welfare of the Chinese people at heart, as His Majesty's Government are convinced that they have, it is hard to believe that they will deliberately sanction such a retrograde step as the relaxation of the embargo.

I am, &c.

CURZON OF KEDLESTON

¹⁵ See n. 2 above.

No. 222

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 28 Telegraphic [F 205/2/10]**

FOREIGN OFFICE, *January 29, 1921, 6 p.m.*

Your telegram No. 21¹ and Peking telegrams Nos. 21² and 25:³ Arms embargo.

Matter has been fully discussed with Counsellor of American Embassy,

¹ No. 204.

² Of Jan. 16, not printed. Cf. No. 221, para. 7.

³ See No. 221, n. 2.

and instructions have been sent by despatch to His Majesty's Chargé d'Affaires at Washington to impress upon State Department gravity of issues at stake, and endeavour to bring them into line.⁴ See also my telegram No. 42 to Washington, reference Handley Page.⁵

Your despatch No. 582, just received⁶ shows that Japanese Government are totally misinformed as to part played by British machines in fighting last summer—see facts summarised in Peking telegram No. 531 of 14th December.⁷ When question of American attitude has clarified, you should make this clear to Japanese Government.

(Repeat to Peking; repeated to Washington, No. 46.)

⁴ See No. 221.

⁶ Of Dec. 10, not printed.

⁵ No. 218.

⁷ No. 183.

No. 223

Earl Curzon to the Japanese Ambassador

[F 259/78/23]

FOREIGN OFFICE, *January 29, 1921*

Your Excellency,

I have the honour to acknowledge the receipt of your note No. 6 of January 17th dealing with the Shaw case.¹

2. I am gratified to learn that the Japanese Government are prepared to accept the Formula of settlement which I had suggested for their consideration.

3. Your Excellency refers to the possibility of Mr. Shaw's return to Japanese territory and the renewal of proceedings against him in that event. Your Excellency is already aware from my note of December 22nd² of the views of His Majesty's Government upon that point and I do not see that anything can be usefully added to paragraph 3 of that Note,³ to which I must unequivocally adhere. It would be a source of embarrassment to both our Governments should the whole issue have to be reopened.

4. As Your Excellency has referred at some length to the nature of the assurance given to His Majesty's Ambassador by Count Uchida, I feel bound to place the facts on record in order to avoid all possibility of misunderstanding. On November 6th Count Uchida authorised Sir C. Eliot to send me the following telegram of which His Excellency took a copy: 'Minister for Foreign Affairs informs me that according to Japanese law Shaw is at liberty to leave Japanese territory and is not committing a dishonourable act if he does so.

'His Excellency added that speaking privately he could assure me that no further proceedings would be taken against Shaw.'⁴ No condition was men-

¹ No. 207.

² See No. 207, n. 2.

³ See No. 180, n. 2.

⁴ See No. 156.

tioned on that occasion, and as regards the question of Mr. Shaw's not returning to Antung I can only reiterate the statement made in paragraph 3 of my Note of December 22nd that it was not a condition which His Majesty's Government could even discuss.

5. There is no desire, however, on the part of His Majesty's Government to prolong this discussion, and it is clear that the two Governments are in substantial agreement as to the desirability for prompt settlement. It only remains therefore to dispose of one or two further points raised in Your Excellency's Note under reply.

6. It appears that the Japanese Government wish to attach three conditions to the settlement, (*a*) that the formula shall be kept strictly confidential, (*b*) that the handing over through His Majesty's Ambassador of the Y. 1,500 to Mr. Shaw shall never be disclosed, and (*c*) that nothing shall be said in public which might lead to the Japanese Government being accused of interfering with the Judiciary.

7. Whilst His Majesty's Government fully appreciate the difficulties of the Japanese Government and are anxious so far as possible to save them from embarrassment, yet the Japanese Government will realise that it is not feasible to give a definite undertaking as to the second and third of the above points. The third paragraph of the formula now before the Japanese Government has been specially added to meet their wishes and it still appears to His Majesty's Government adequate. Its terms will of course be loyally adhered to. As regards the payment of Y. 1,500 the facts may be disclosed by Mr. Shaw himself, as a consequence of which questions may be asked in Parliament, in which case His Majesty's Government cannot undertake to deny or to withhold the truth. Moreover it is clearly impossible for His Majesty's Government to prevent inferences being drawn from such a general statement as it may be necessary to make, and in these circumstances His Majesty's Government would be exceeding their powers in giving any positive guarantee beyond the undertaking already contained in paragraph 3 of the formula. His Majesty's Government can only add that they will do their utmost to meet the wishes of the Japanese Government so far as may be practicable, and that it does not appear to them probable that such facts as may become public are likely to lead to the suggestion that there has been any interference with the independence of the Japanese Judiciary.

8. In view of the reassembling of Parliament in the near future, the settlement of the case gains in importance and it is much to be hoped that, with these observations before them, the Japanese Government will forthwith agree to accept the formula and to forward to Sir C. Eliot the Y. 1,500 in question, thus finally disposing of the case.

I have, &c.

(For the Secretary of State)

VICTOR WELLESLEY

Mr. Craigie (Washington) to Earl Curzon (Received February 1)

*No. 52 Telegraphic [F 388/2/10]**

WASHINGTON, January 31, 1921 [7.15 p.m.]

Your telegram No. 42.¹

I have had further long conversations² with head of Far East Department and have mentioned matter again to Under-Secretary of State. Upshot is as follows: State Department learnt with surprise that your disapproval of aeroplane contract was based on consortium grounds. Consortium only handles loan agreement involving issue for public subscription of loans to Chinese Government or guaranteed by latter or some Chinese authority. Text of contract enclosed in your despatch No. 67³ provides for—

- (a) A cash advance of 2,000,000 dollars by company; and
- (b) Total credit of just under 7,000,000 dollars, to be secured upon Government negotiable bearer Treasury bills. In neither case is there any provision for public subscription to loan.

If, therefore, either the Curtiss Company or the Handley Page Company are in position to carry out⁴ whole of this loan by private arrangements with banks, terms of contract do not appear to digress from⁵ letter of consortium agreement. Decision to restrict consortium operations to contracts involving public subscription was designed to avert danger of a monopoly being created which would exclude all individual trade enterprise with China. As examples which have led State Department to believe this also represented interpretation of His Majesty's Government, they again cited Messrs. Vickers' aeroplane contract, which was on identical lines and agreement with China National Wireless Telegraph Company concluded in May 1919. Both provided for issue of Chinese Treasury bills, although consortium agreement of May 1919 contained a provision identical to article 2 of new agreement. Moreover, His Majesty's Legation at Peking were at present arranging for a supplementary Marconi contract and for Tao Kow-Chinghua railway contract, both of which included issue of Treasury bills.

I insisted strongly on point of view urged by His Majesty's Government, and State Department agreed, that whole matter deserves careful consideration, and that it may be necessary to agree on an interpretation of consortium agreement which will bring such contracts definitely within scope of consortium.

On this point they will consult group.⁶ Meanwhile they will instruct their Legation at Peking to give no countenance nor support to any attempt to secure contract for American firm[s] pending adjustment between American and British Governments of points raised above.

I should be glad of further suggestions and, in particular, to learn whether

¹ No. 218. ² The text as sent read 'discussion'. Cf. *F.R.U.S. 1921*, vol. i, pp. 545-6.

³ Of Jan. 14, not printed.

⁴ This word was not in the text as sent.

⁵ The text as sent read: 'to violate'.

⁶ The text as sent read: 'their group'.

your Lordship would agree to some clearer definition of character and size of contracts which should be handled only through consortium. It is desirable to bear in mind danger of any policy which would enable opponents of consortium in this country to wreck policy as being too monopolistic in its effects.

No. 225

Memorandum by Mr. Ashton-Gwatkin containing suggestions towards a scheme for the British Education of Chinese

[F 398/246/10]

FOREIGN OFFICE, *January 31, 1921*

In a separate Memorandum,¹ our voluminous correspondence on the subject of the Education of Chinese on British lines is summarised under the following headings:

- (1) The importance of the question.
- (2) The demand for British Education of Chinese.
- (3) Educational activities of Great Britain and other nations.
- (4) Schemes for British Education of Chinese.
- (5) List of prominent educational institutions in China.
- (6) The Boxer Indemnity.²
- (7) Conclusion.

In view of the paramount importance of this question to the future position of Great Britain in the Far East, I venture to suggest that the Foreign Office take steps as soon as possible towards the framing and launching of a practical scheme. Moreover, the Chinese Minister's farewell message to the British Press (see Memorandum on British Educational Policy in China, p. 4. Footnote)³ conveys a direct appeal to the British nation to open its doors to the Chinese students, an appeal which it would be both discourteous and impolitic to ignore. As a preliminary measure, Mr. C. W. Campbell has suggested that the advice of one or two influential and interested persons should be asked quite informally, notably that of Sir Charles Addis, Manager in London of the Hongkong & Shanghai Bank, who has studied this subject for many years. The initial question upon which he might well be consulted is the question of the provision of funds. I consider that, with regard to the Boxer Indemnity, the attitude of H.M. Treasury is reasonable; and that the burden of educating the Chinese should not, in the first instance, fall on the back of the British Taxpayer. Possibly, during or after 1922, it may be decided for other reasons that the time has come to remit all or part of the Indemnity, but our education policy in China ought not to wait for or rely

¹ This memorandum of Feb. 3, 1921, by Mr. Ashton-Gwatkin is not printed.

² i.e. the indemnity levied upon China by the Powers after the Boxer rising. The amount was fixed by the Final Protocol of Peking of 1901; see No. 86, n. 3.

³ See n. 1; cf. *The Times*, Feb. 2, 1921, p. 9. Mr. Alfred Sze was succeeded as Chinese Minister in London by Dr. Wellington Koo on Feb. 9, 1921.

upon such a contingency. Apart from the Indemnity, Chinese education merits immediate consideration with a view to action. The importance of giving the Chinese a British bias by educational means may well justify special action on our part. It may, therefore, be worth our while to devote to the education of Chinese on British lines a sum strictly proportioned to the benefits likely to be received by the community generally. The firms likely to be particular recipients of these benefits, together with the Chinese themselves, ought to make contributions which might quite conceivably be large enough to reduce the contributions from the Exchequer to an inconsiderable figure. Much official encouragement other than financial could no doubt be given to any schemes for promoting Chinese education, especially through H.M. Consular Service in China which has great experience in this subject, and through the assistance of H.M. Foreign Office and the Board of Education at home. But our first efforts should be to promote the inauguration of a fund, to which the British China merchants and the manufacturing firms interested in the China market should be the principal subscribers. When one considers the resources of such firms as the P. & O. Steam Navigation Co., The Hongkong & Shanghai Banking Corporation, The Chartered Bank, Messrs. Jardine, Matheson & Co., Messrs. Butterfield & Swire, Messrs. David Sassoon & Co., of such vast enterprises as Messrs. Vickers, the Amalgamated Cotton Mills Trust, Nobel Industries, &c., and the great private fortunes of the persons connected with them,—all of which will be still further increased by the development of the Chinese nation on British lines,—it ought not to be too difficult to raise a substantial fund, perhaps even as much as £500,000.⁴ If to this sum, the Chinese and British Governments would each contribute £250,000, a total sum of £1,000,000 would be raised, or an annual income of about £50,000. Although this is only about half of what the U.S. Government provided for the same purpose, still it would form a solid foundation; and from a material point of view, it would undoubtedly repay with interest the initial outlay. At any rate, preliminary discussions as to the ways of raising a fund should proceed on three different assumptions.

- (a) That no money can be counted on from H.M. Treasury, Government support being limited to moral and administrative assistance.
- (b) that some proportionate contribution can be made by the Treasury.
- (c) that the Boxer Indemnity will be available in 1922.

Stress should be laid on (a) and (b).

Having discussed what may be financially practicable, and the extent to which those who call for educational schemes are prepared to support them, the next step is to work out a definite scheme of education. The following

⁴ In a minute of March 26 Sir John Jordan wrote: 'There is no prospect, in my opinion, of raising a sum approaching £500,000 amongst the British communities in China even in the most favourable circumstances, and the present is unfortunately a very inopportune moment . . . famine relief has made a very heavy demand upon their generosity and trade is passing through a period of severe depression which has involved many of the large China firms in great losses.'

are some preliminary steps, upon which the opinion of Sir C. Addis and others might be consulted:

(1) The advisability of procuring the immediate formation of a London Committee, to investigate the question in all its bearings; and the composition of such a Committee.

(2) The advisability of instructing H.M. Legation at Peking to arrange, through H.M. Consulates and the British Chambers of Commerce, for the formation of Anglo-Chinese committees on education; like the one already started at Shanghai, in the principal centres of China, viz., Peking, Tientsin, Hankow, Canton. These committees to supply local information and suggestions.

(3) The advisability of despatching to China an educational expert, to study the question thoroughly for at least one year, with the help of H.M. Consular officers and local persons interested. Such expert to draw up at least three alternative schemes:

1. A Minimum Scheme, disposing of a fund of £500,000 or £25,000 a year.
2. A Medium Scheme, disposing of a fund of £1,000,000 or £50,000 a year.
3. A Maximum Scheme, disposing of the Boxer Indemnity balance.

(N.B. The total amount, including interest at 4%, is approximately £11,000,000, payment being spread over a period of 23 years, 1922–1945.)

(4) The desirability of obtaining a favourable publicity for 'Educating Young China', and of inaugurating a press campaign in this sense. The 'Daily Mail' has already made a beginning in this direction.

(5) The desirability of proceeding immediately to draft an educational scheme on the basis of the information already at our disposal, which is very considerable, without waiting for the further delay which will naturally follow from the despatch of an educational expert to China.

(6) The importance of distinguishing between general and vocational education for Chinese; between British education in China and the education of Chinese in Great Britain; between subsidising already existing institutions and founding new ones; between British, Sino-British or purely Chinese management and direction; between requirements of the different provinces and divisions of China.

(7) The special questions of medical education, and of the education of women.

(8) The possibility of obtaining financial and other assistance from Chinese sources—(a) the Chinese Government (b) the provincial authorities (c) private persons and corporations.

(9) The possible interests in Chinese educational schemes of Australia, Canada⁵ and the wealthy Chinese communities of Hong Kong and Malaya.

⁵ *Note in original:* 'The Canadian Government have removed the immigration restrictions upon Chinese students; and Sir John Jordan (despatch No. 348 of July 23rd, 1918 [not printed]) considers that it is probable that a good number of Chinese will go there for their education, as in some ways Canada is considered to offer greater advantages even than America.'

Besides Sir Charles Addis, informal discussions might advantageously take place with representatives of the following bodies, known to be interested in the question: the Department of Overseas Trade, the Board of Education, the China Association, the Federation of British Industries, the Associated Chambers of Commerce, the British Electrical and Allied Manufacturers' Association, the British Engineering Standards Association, the London Missionary Society, the principal Universities—Dr. Sir A. Shipley of Christ's College, Cambridge, has already volunteered his services—and possibly with M. Bucchok Shen, director of the Mission Scolaire Chinoise en Europe, who supervises Chinese students in this country and on the continent. We must grope our way towards what is practicable; and for this very reason the sooner some action is initiated, the better.

From these discussions some fairly concrete scheme might emerge, and be submitted, if desirable, to a conference with a view to subsequent reference to Peking. When once some practical result has been arrived at (1) in drafting an educational scheme, (2) in suggesting a fair and acceptable method for financing it, then the sympathetic consideration of H.M. Treasury might be invoked with the object of obtaining a Government subsidy. It would seem inadvisable to pursue the suggestion made in Mr. Clive's Memo. of February 4, 1920,⁶ viz., that 'the Treasury should be moved to sanction in principle the allocation of the unpaid portion of the Boxer Indemnity to a scheme for extending British influence in Chinese education'. The Treasury could never agree 'in principle' to an unformulated scheme involving heavy expenditure. But this does not mean to say that they would necessarily reject a practical scheme, whose limits and whose benefits were clear and precise.

Nevertheless, in framing schemes, which it may be desirable to carry out, irrespective of any particular method in financing them, the possibility should not be excluded of using a portion or the whole of the Boxer Indemnity, as the remission of some or all of the Indemnity may become necessary after 1922 for reasons specified in my memorandum on 'British Educational Policy in China.'

F. ASHTON-GWATKIN

⁶ Not printed.

No. 226

Earl Curzon to Sir B. Alston (Peking)

*No. 51 Telegraphic [F 374/179/10]**

Most urgent

FOREIGN OFFICE, *February 1, 1921, 5.35 p.m.*

Your telegram No. 48.¹

Unless you have already taken proposed action,² you should postpone

¹ Of Jan. 29, not printed.

² In his telegram No. 3 of Jan. 28 Mr. Jamieson, H.M. Consul-General at Canton, had

doing so. It would set up an awkward precedent, which other Powers might well appeal to in circumstances less justifiable than the present. We have hitherto avoided making any claim on customs surplus.

As only points 2 and 3 are at present being acted upon (see your telegram No. 34),³ Hong Kong trade cannot so far have been affected, and when similar action, including points 1 and 4, was contemplated in 1919 (see Sir J. Jordan's telegram No. 171 of 20th March)⁴ Colonial Office raised no objection.

suggested that 'non-allocated south-western share of [customs] surplus of some 3,000,000 taels be held in reserve as a fund out of which to make good damage, if any' to Hong Kong trade, should there be a commercial blockade.

³ No. 216.

⁴ Not printed.

No. 227

Sir B. Alston (Peking) to Earl Curzon (Received February 3, 3.45 p.m.)

No. 53 Telegraphic [F 413/2/10]

PEKING, February 1, 1921, 10.40 p.m.

Arms embargo.

Your telegram to Tokio No. 13.¹

As result of discussion with my United States and Japanese Colleagues I am satisfied that only chance of rendering embargo at once practical and effective lies in concerted action by Powers interested with a view to immediate adoption of specific and comprehensive regulations restricting our nationals from supplying munitions of war of *any* description to China.

It is now beyond doubt that our own policy in continuing to allow Messrs. Vickers' contract for machines to China, after experience has shown that Chinese Government is powerless unaided to control their use, affords only real excuse to other Powers (? for) violating embargo in its present form and it is essential that I should be in a position to inform my Colleagues that His Majesty's Government have decided (as foreshadowed in your telegram No. 196 of May 28th last)² to issue regulations in England and also to amend China Arms Regulations of 1919³ to specifically include arms and ammunition and munitions of war of every description, material destined exclusively for their manufacture and aircraft.

This would render a written licence from His Majesty's Minister necessary for import of *inter alia* any aircraft exported from England after (? date of) such amendment and I would propose to withhold licences for any (?machine)s (? person) including⁴ that for unshipped balance of material under Messrs. Vickers' contract until such (? time) (? as) (? Chinese Government) have given definite proof (? of their) (? intention) and (? that it will) use⁵

¹ No. 202.

² Not printed.

³ i.e. Regulation No. 25 of 1919 issued under the China Order in Council, 1904.

⁴ The text received at Tokyo read: 'withhold issue of licences for any ?machines including'.

⁵ The text received at Tokyo read: 'intention and ability to use'.

for commercial purposes material already imported. Such action would be logical development of policy advocated in Peking telegram No. (? 497)⁶ and approved of in your telegram No. 418⁷ as material already imported and (? on the way) is sufficient for present needs.

Moreover Chinese Government have recently raised two fresh points, namely:

(1) A claim that they are entitled to use for military purposes against an *external* foe (e.g., Russians at Urga) any British aircraft purchased by them.

(2) They are now urging me to agree to proposal to allow subsidiary training stations at Mukden and Paotingfu Headquarters of Changlalin and . . . kun⁸ who have of course no interest in commercial aviation but would agree in return to place aeroplanes seized last summer under nominal control of Central Government. I have refused to admit one and have so far evaded answering but I realise quandary of Central Government who if request is not complied with may find aeroplanes now training in Peking seized by Changlalin's [Chang Tso Lin's] troops who are quartered on aerodrome. Re-affirmation of embargo on lines now suggested would also assist in placing whole aviation question now pending between Chinese Government and ourselves on a basis intelligible to all.

United States Legation here indicate that State Department is likely to respond to such a declaration of policy on our part which would enable them to resist pressure now being exercised by American commercial interests in favour of relaxation of embargo.

Washington telegram No. 34⁹ would appear to confirm this view. On the other hand recent American action in supplying Arsenal machinery and seaplanes to Canton (see my telegram No. 49)¹⁰ will certainly strengthen Japanese case for relaxation unless United States Government can be induced to join us in adopting new policy outlined above and present moment seems opportune for representations by us at Washington on this basis especially as French Legation in reply to my memorandum on Handley Page contract also draw attention to Canton incident.

I would therefore venture to submit following programme before I . . .¹¹

1. Amendment of United Kingdom Export Regulations.
2. Telegraphic authority to . . .¹² amend China Arms Regulations.
3. Notify Messrs. Vickers in London that licence from me for all (? future) shipments . . . ed.¹³

⁶ No. 168.

⁷ Of Dec. 10, not printed; see No. 168, n. 3.

⁸ The text is here uncertain. The text received at Tokyo read: 'headquarters of Chang Tso Lin and Tsao Kun' (cf. No. 215, n. 5).

⁹ No. 209.

¹⁰ Of Jan. 29, not printed.

¹¹ The text is here uncertain. The text received at Tokyo read: 'programme of action'.

¹² The text is here uncertain. The text received at Tokyo read: 'Telegraphic authority for me to'.

¹³ The text is here uncertain. The text received at Tokyo read: 'shipments under their contracts [?] withdrawn'.

4. Communication of above steps to United States Government.

5. Appeal by me (supported if possible by my United States Colleague) to all representatives of interested powers here to secure adoption by their Governments of equivalent measures in the case of their respective nationals.

If other powers fall into line we shall secure an effective embargo but in any event we shall place ourselves definitely in the right at a cost (which cannot be avoided) of assuming *vis-à-vis* Messrs. Vickers responsibility [of] safeguarding them against loss at hands of Chinese Government (? for) non-execution of their contract. I have explained whole situation quite frankly to Vickers' agent and to their special representatives now here and they are telegraphing to London office.

Your telegram No. 46 just received.¹⁴ United States Legation maintain that they know of no firm contemplating taking over Handley Page contract. They are awaiting (? views of) United States Government as to how far such contracts conflict with consortium policy.

Repeated to Tokio.

¹⁴ No. 218 was repeated as No. 46 to Peking.

No. 228

Sir B. Alston (Peking) to Earl Curzon (Received February 3)

*No. 55 Telegraphic [F 414/179/10]**

PEKING, February 2, 1921

Your telegram No. 51.¹

No ground would have been given for objections indicated, as claims would not have been confined to Hong Kong or British merchants, but would have included those of all countries affected by stoppage of trade.

As a matter of fact Canton authorities have given way and announce postponement of any action in regard to customs. No further steps are therefore required for the present.

(Repeated to Canton).

¹ No. 226.

No. 229

Sir B. Alston (Peking) to Earl Curzon (Received February 4, 5.30 p.m.)

No. 62 Telegraphic [N 1641/134/57]

PEKING, February 3, 1921, 4.45 p.m.

Following from Harbin No. 4.

Yesterday Prince Ouchtomski Junior and Mihailov former Minister of Finance with Admiral Koltchak called and informed me confidentially that a new anti-Bolshevik move was going to be made in the Spring under military leadership of Semenoff with Mihailov as chief adviser. Head of

organization is, I hear, to be Mr. Gondatti ex-Governor of Priamuria. Ouchtomski and Mihailov stated that they had reason to believe whole of Siberia was sick of Bolshevik rule and that a general rising could be confidently expected in support of new movement.

Operations would be started on a limited scale in Maritime Province and later on extend Westward until whole of Siberia was free, when it would be constituted a separate state with a Constituent Assembly of its own. No attempt would be made to advance into Russia proper which must work out its own salvation. Reason to [*sic*] failure of Kolchak's attempt was that his objective was Russia proper and not Siberia only.

Military aid was expected from Japan only but Chang Tso Lin during recent Conference at Mukden had promised co-operation and freedom of transportation through Manchuria.

It was hoped that Allies would help new . . .¹ economically and (? . . . ? financial)ly,¹ and they would be prepared to mortgage all sources of revenue such as customs, excise, railways, posts, telegraphs etc., as security for loans and material. They were anxious to know if they might expect British sympathy for their scheme and whether they could count upon our help in due course on financial and economic side.

I told them I would report matter to you but I have little faith in prospects of new movement which appears to me to be of a reactionary character.²

Repeated to Tokio.

¹ The text is here uncertain.

² In his telegram No. 64 of Feb. 11 (not printed) Sir C. Eliot agreed with Sir B. Alston 'as to poor prospects of Siberian movement'.

No. 230

Sir C. Eliot (Tokyo) to Earl Curzon (Received March 8)

No. 42 [F 848/2/10]

TOKYO, February 3, 1921

My Lord,

I have the honour to transmit herewith copies of two notes which I have addressed to the Japanese Government respecting the importation of arms into China.¹

I thought it well to embody the last paragraph of Your Lordship's telegram No. 13² in a formal communication to the Japanese Government and, since I had already despatched my first note when that telegram arrived, I took advantage of an enquiry made by Count Uchida about the Handley Page contract to make a second representation to him. I have however more than once explained to His Excellency that His Majesty's Government regard the Handley Page contract with disfavour because it conflicts with the interests of the Consortium, rather than because it infringes the Arms

¹ Of Jan. 10 (see No. 204) and 28, not printed.

² No. 202.

Embargo. His Excellency first mentioned it to me in the latter connection but I pointed out to him that the Japanese Government had already given their assent to our view that aeroplanes do not come within the terms of the embargo unless they have special fittings for military purposes.

In Your Lordship's telegram No. 28³ Your Lordship observes that the enclosures in my despatch No. 582⁴ show that the Japanese Government are totally misinformed as to the part played by British aeroplanes during the fighting which occurred in China last summer, and I am accordingly instructed to make the facts clear to them when the American attitude in this matter has clarified. This as a matter of fact has already been done. On December 17th I gave the Minister for Foreign Affairs a memorandum containing the facts of telegram No. 531 from Peking to Your Lordship's office⁵ which refer to this matter and regret that I did not apprize Your Lordship by telegraph of my action.

(Copy to Peking.)

I have, &c.

C. ELIOT

³ No. 222.

⁴ Of Dec. 10, not printed.

⁵ No. 183.

No. 231

Sir C. Eliot (Tokyo) to Earl Curzon (Received February 10)

*No. 54 Telegraphic [F 507/2/10]**

TOKYO, February 6, 1921 [7 p.m.]

Supply of arms to China.

Following is substance of a note received from Japanese Government in reply to my note of 10th January:¹

Situation in China has again changed, and Japanese Government recognise with regret that there is no present prospect of union between north and south.

Rumours are current respecting Handley Page contract for seaplanes and sale by Americans of machinery for manufacturing arms to Canton Government. It is feared that in consequence of such rumours Japanese merchants may on their own responsibility and without regard to policy of Japanese Government attempt to make some direct settlement with China.

This is a matter of grave concern for Japanese Government, who ask for sympathetic consideration of their difficult position.

In giving explanations of Vickers contract, His Majesty's Ambassador invoked Japanese note of 12th May last, relative to Arms Traffic Convention.² But that convention is not wholly suitable for regulating import of arms into China, and special circumstances of the case must be considered.

¹ See Nos. 204 and 230, n. 1.

² Not printed. This note informed Sir C. Eliot that the Japanese Government agreed with H.M.G.'s views regarding aircraft under the Arms Traffic Convention; see No. 190.

A statement is current, although Japanese Government cannot vouch for its truth, that Chinese Bureau of Aviation reported to Chinese Government that though in order to avoid criticism aeroplanes purchased from British firms were described as being 'for commercial use', they could be rendered suitable for military purposes 'by a touch of the hand'.

Minister for Foreign Affairs therefore thinks question whether aeroplanes are to be classed as arms or not should be reconsidered.

Minister for Foreign Affairs accepts explanations of His Majesty's Ambassador that British aeroplanes were not used during fighting in China last July, but, in view of rumours such as that quoted, he earnestly hopes that His Majesty's Government will continue to give their attention to this question.

No. 232

Earl Curzon to Sir B. Alston (Peking)

No. 67 Telegraphic [N 1641/134/57]

FOREIGN OFFICE, *February 14, 1921, 9 p.m.*

(New White movement in Siberia.)

Your telegram No. 63 (February 3rd.)¹

We are completely opposed to any further adventures in Siberia, and you should make it clear that we regard the whole move with the utmost disfavour.

Your instructions to Harbin approved.

Please repeat to Tokio and Vladivostock.

¹ Not printed; cf. No. 229.

No. 233

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 100 [F 303/3/10]**

FOREIGN OFFICE, *February 14, 1921*

Sir,

With reference to your despatch No. 591 of the 16th December last,¹ I transmit to you herewith copies of correspondence with the Colonial Office respecting the complaints of Canadian missionaries in Chientao against the Japanese troops operating in that region.²

2. You have received direct from Peking a copy of Mr. Clive's despatch No. 755 of the 22nd November giving a comprehensive report of the events leading up to the military action of Japan.³ From what Mr. Clive states it

¹ Not printed; see No. 166, n. 2.

² This correspondence is not printed.

³ Not printed; cf. No. 158.

is evident that it was through Chinese supineness that such action became necessary and it would be difficult to maintain that Japan was not justified in the circumstances in the course that she adopted. But as regards the brutalities that have been practised by the Japanese troops during their subsequent operations no word of defence can be said, and the enclosures in Mr. Clive's despatch afford what seems properly authenticated evidence that such brutalities have in fact been perpetrated.

3. Your Excellency will recollect that in my telegram No. 371 of the 11th December last,⁴ I alluded to the disquieting reports of the alleged severity of the repressive measures which the Japanese forces were adopting in Chientao, reports which it was hoped that the Japanese Government would be able to repudiate as unfounded. From the accrued evidence that has reached this Department from a variety of sources, it appears only too true that such severity has in fact been exercised.

4. You should take an early opportunity of bringing to the knowledge of the Minister for Foreign Affairs in a friendly manner the nature of the reports that continue to come to our ears and impress upon him the unfortunate effect which such proceedings are bound to have upon public opinion both in this country and in the Dominions at a time when that opinion is particularly susceptible on such matters.

5. Copies of this despatch have been forwarded to the Secretary of State for the Colonies and to His Majesty's Minister at Peking.

I am, &c.

CURZON OF KEDLESTON

⁴ Not printed.

No. 234

Earl Curzon to Sir A. Geddes (Washington)

*No. 253 [A 1188/26/45]**

Sir,

FOREIGN OFFICE, *February 16, 1921*

The American Ambassador asked to see me to-day in order to discuss several matters, among which the only one that I need here place on record is that of our attitude regarding the vexed question of the island of Yap.

We stood, he admitted, on solid and logical ground in the position we had taken up, although the letter in which we had conveyed it to the American Government had been, in his opinion, quite unnecessarily abrupt.¹ The matter was viewed with intense concern by the present Administration in America, and might be even more seriously regarded by its successor. He thought it very desirable that some relaxation of the situation should be made possible.

I pointed out to the Ambassador, what he did not for a moment deny, that the present position was due to the inadvertence or negligence of the American representatives in Paris, who, when the minutes of the meeting

¹ For this letter of Nov. 16, 1920, see *F.R.U.S. 1921*, vol. ii, pp. 263-4.

recording the final decision of the case by the Supreme Council were drawn up,² had failed to notice that no reservation whatever was made by or on behalf of America. Technically, therefore, the American Government had no *locus standi* for protest. On the other hand, I was not without some sympathy for the American case, since I was informed—not having been in Paris at the time—that President Wilson had on more than one occasion made his attitude quite clear,³ and that their grounds for disappointment, and even irritation, were therefore genuine.

The Ambassador asked me to say whether, in the future discussion of the case at Washington—whilst not being in a position to support the American contention, both because of what had passed and because of the attitude we had already assumed—we would yet not actively oppose it or take definite sides with France and Japan, and whether, in short, we would use our efforts in the direction of settling the matter by conciliation.

I said that I thought that we might go as far as this, though we did not want to be involved in a dispute that was really none of ours.⁴

I am, &c.

CURZON OF KEDLESTON

² For these minutes, see *F.R.U.S., Paris Peace Conference, 1919*, vol. v, pp. 506–9.

³ For the U.S. Government's reservations, see *ibid.*, vol. iv, pp. 486 and 653–4, and vol. v, p. 109.

⁴ For the course of the dispute over the island of Yap, see *F.R.U.S. 1921*, vol. ii, pp. 263–313.

No. 235

Earl Curzon to Sir C. Eliot (Tokyo)

No. 106 [F 595/78/23]

Sir,

FOREIGN OFFICE, *February 16, 1921*

Baron Hayashi having asked to see me this afternoon, I welcomed the opportunity of informing him that the attempt of his Government to break away from the agreement into which we had entered with regard to the Shaw case and which represented the extreme limit of compromise to which I was prepared to go, was regarded by me with great surprise and could not receive from me the smallest support. Viscount Uchida was now anxious that we should give an undertaking not to disclose the fact that we had received from the Japanese one thousand five hundred yen as a consideration for the bail of Mr. Shaw. He further wanted us to shut the mouth of Mr. Shaw when and if the latter came to England.

2. I regretted that I could not meet him in either respect. We had gone as far as it was possible to do in saying that we would avoid an announcement if possible, and if compelled to make it would confine it to general terms.

3. As regards Mr. Shaw, if on coming to England he chose to state his case to journalists, no human power could prevent him. The only way to

stop the mouth of Shaw was to terminate the case and to stand by the Agreement which the Ambassador and I had already concluded. I felt ashamed at these continuous revivals of a miserable case which had already occupied too many hours of my time and that of the Ambassador and which ought not to be allowed, as seemed likely if the Japanese persisted in their attitude, to develop an importance altogether out of proportion to its intrinsic merits.

4. When the Ambassador said that public opinion in Japan prevented them from making any admission that seemed to give away their juridical case, I said that I thought this was really absurd. Why should not the Japanese Government say that they had their own opinion on the question of jurisdiction which we had declined to accept but to which they still adhered? On the other hand, we had equally declined to recede from our contention. In these circumstances, the Japanese Government had thought it well, as an act of courtesy and in order to terminate the matter, to refund a sum equivalent to the bail. I was unable to see how such a statement would not be entirely satisfactory to Japanese susceptibilities.

5. On the other hand, I told His Excellency quite frankly that if the Agreement between us was now repudiated, if Mr. Shaw arrived in this country and published his tale, I should have no alternative but to lay the full papers at once before Parliament, with results that, on the merits of the case, would, I thought, be unfavourable to the Japanese position, and viewed from a larger standpoint might exercise a most unfortunate effect. For instance, the Crown Prince of Japan was about to visit this country.¹ We desired to extend to him the welcome demanded by his exalted position and by the relations of alliance between the two countries; but I could not conceal from him that an explosion of public opinion aroused by the publication of the Shaw papers might even colour the reception that was accorded to our illustrious guest.

6. In these circumstances, I urged His Excellency to telegraph at once to his Government to settle the matter on the lines already laid down and to clear this trumpery but dangerous obstacle out of our path.

7. His Excellency, who has, I think, throughout been most anxious to compromise on the matter, and whom I thanked for what I believe to have been his sincere efforts in this direction, undertook to telegraph to his Government in the sense I had suggested, and hoped in a very short time to be able to give me a favourable reply.

I am, &c.

(for the Secretary of State)

VICTOR WELLESLEY

¹ The Crown Prince of Japan arrived in England for a state visit on May 9, 1921.

Mr. Paton (Vladivostok) to Earl Curzon (Received February 21, 11 a.m.)

No. 24 Telegraphic [N 2343/134/57]

VLADIVOSTOK, *February 19, 1921, 8.30 a.m.*

At meeting of Inter-Allied Railway Committee held yesterday it was decided to send the following message to Governments represented: Message begins.

There has been a considerable divergence of opinion recently amongst members of Committee as to whether despatch of railway cars and materials to North Evgenievka, i.e. beyond sector of Ussuri line guarded by Japanese troops, should be permitted or assisted without restriction. Since withdrawal of American, British, Czecho-Slovak, French and Italian troops, original declaration of Committee of March 14th 1919¹ is now differently interpreted and following two points appear to require elucidation:

First. Is phrase 'zone in which allied military forces are *now* operating' in preamble of declaration to be construed as meaning zone in which allied forces were then operating, or are actually operating at present time?

Second. Are Russian troops or Militia now guarding railway North of Evgenievka and elsewhere to be considered as part of 'Allied Military Forces'? Message ends.

In practice Committee's supervision is strictly limited to sector guarded by Japanese troops, but American member maintains that until Government of Far Eastern Republic has been proved Bolshevik it should be afforded every assistance in the shape of railway materials of which it stands in sore need.

Japanese military authorities on the other hand consider that by allowing cars and materials to be sent North they would be endangering the existence of their troops.

French member and I have hitherto adopted neutral attitude on ground that policy of Far Eastern Republic is not yet sufficiently established. Chinese member supports the American member.

In consequence of these different points of view, instructions given by American experts concerning operation of railways are frequently over-ruled by Japanese military authorities. Considerable quantity of railway material is held up at Evgenievka, and there is also great congestion of cars all over railway. It is urgently necessary that answers should be furnished to the two points raised, or that in view of the limited scope of the Committee's supervision, declaration should be revised.

Repeated to Tokio and Peking.

¹ For a summary of this declaration, see *F.R.U.S. 1919, Russia*, p. 257.

No. 237

Earl Curzon to Sir A. Geddes (Washington)

*No. 93 Telegraphic [F 672/45/10]**

FOREIGN OFFICE, *February 23, 1921, 6 p.m.*

Your telegram No. 6.¹

American Ambassador called on 21st February and said he had received a telegram from State Department respecting question of Chinese Eastern Railway.² He alluded to failure of French Government to meet transportation expenses of Czech troops, and stated that United States Government were apprehensive lest Japanese Government should take advantage of the situation to obtain possession of the line. He continued that State Department were anxious to take the matter up with you on your return,³ and requested that you be authorised to discuss it.

You may act accordingly.

Most recent telegrams from Peking on the subject have already been repeated to you, and other papers will be found in confidential print. Our attitude must be that, while ready, as far as possible, to back up any practical solution that America may suggest, we are ourselves unable to take initiative, largely owing to fact that in present conditions of national finance it is useless to look for any financial accommodation from Treasury where direct British interest is not great.

Chinese Eastern Railway is essential link in an important international highway, and as such it is to the general interest of all that it should not pass into hands of any one Power. Exact status of line is difficult to define in view of Russian collapse. It is a Russian asset in which China has residuary interest, with the complicating factor that bulk of Russian capital was put up from French sources. Everything therefore points to undesirability of any change in its status. Something on lines of international financial assistance through consortium might well prove best solution, but Chinese, and no doubt Russian, consent would be required.

You should welcome any proposals State Department think suitable, letting them understand, however, that we should, of course, first have to consult Peking as to their practicability before coming to any definite decision.

(Repeated to Peking, No. 82.)

¹ No. 191.

² See *F.R.U.S. 1921*, vol. i, pp. 567-8.

³ See No. 209, n. 1.

No. 238

Earl Curzon to Mr. Paton (Vladivostok)

No. 19 Telegraphic [N 2343/134/57]

Confidential

FOREIGN OFFICE, *February 25, 1921, 11 p.m.*

Your telegram No. 24. (February 19th).¹ (Inter-Allied Railway Committee).

We consider that Inter-Allied Railway Committee is now unnecessary and we are considering withdrawing our representative, but before taking definite action to that end we wish to be sure it can be done without giving excuse for claiming abolition of Allied Technical Committee at Harbin to which we attach importance for other reasons.

We are not prepared to redraft the Plan of March 14th² but feel that zone should be restricted to area where allies are operating at present. Before deciding as to inclusion in this area of the railway now guarded by Russians, we should prefer to have more detailed information as to nature of these troops and the authority to which they are responsible.

American contention appears untenable and Japanese fears, in view of close connection of Chita Government with Moscow, well founded. You should therefore do all in your power to persuade United States representative to avoid precipitate action.

Please repeat Peking and Tokio for observations which should be repeated to us direct for consideration before any definite action is taken towards abolition of Allied Committee.

Repeated to Washington No. 101.

¹ No. 236.

² See *ibid.*, n. 1.

No. 239

Earl Curzon to Sir B. Alston (Peking)

No. 84 Telegraphic [N 2343/134/57]

Confidential

FOREIGN OFFICE, *February 25, 1921, 11 p.m.*

My telegram No. 19 to Vladivostok.¹

Inter-allied Railway Committee no longer serves useful purpose, but Technical Board distinctly does, though for other reasons than those for which it was originally set up.

Whilst anxious to abolish former—or at least withdraw from it—we are particularly anxious not thereby to provoke discussion at this moment as to status of latter. As you are aware definite proposals as regards Chinese Eastern Railway may be expected at any time from American Government.

Repeat to Tokyo. Repeated to Washington No. 100.

¹ No. 238.

No. 240

Sir A. Geddes (Washington) to Earl Curzon (Received February 27)

*No. 113 Telegraphic [F 701/2/10]**

WASHINGTON, February 26, 1921

Your despatch No. 136.¹

Matter has been fully discussed with State Department,² who had not yet received your Lordship's note to the United States Ambassador of 22nd January.³ They say that penultimate paragraph of United States Ambassador's communication of 10th January⁴ is somewhat misleading, as United States Government are firmly convinced of the great importance of maintaining Chinese arms embargo. Legislation will be introduced to empower United States Government to continue prohibition of export regulations, but it is feared that opposition in Congress, based largely on violations of embargo attributable to other Powers, will defeat the measure.

As regards question of supporting representations of His Majesty's Ambassador in Tokyo, in opposition to relaxation of arms embargo, State Department observe that Japanese Government have never informed United States Government of their proposals in this respect and that they can therefore hardly intervene. They would, I think, take action, if authorised to inform Japanese Government that we had communicated to them the substance of Japanese notes summarised in telegrams Nos. 3⁵ and 458 [459]⁶ of last year from Tokyo and asked for their support.

¹ No. 221.

² See *F.R.U.S. 1921*, vol. i, pp. 546-8.

³ Not here printed: cf. No. 218, n. 3.

⁴ Cf. *ibid.* The penultimate paragraph read as follows: 'In this connection Mr. Davis ventures to bring to the attention of His Lordship the fact that, in considering this question, it has been borne in mind by his Government that American control over shipments of arms to China has been exercised under war powers which may, at any time, be withdrawn by Congress. Mr. Davis has been further informed that the Department of State considers that the information thus far available scarcely warrants such a confidence in the practical efficacy of the embargo as would justify a request being submitted to Congress for a continuance of the special powers by which restrictions have, up to the present, been imposed upon American manufacturers.'

⁵ Vol. VI, No. 652.

⁶ See No. 183, n. 2.

No. 241

Earl Curzon to Sir B. Alston (Peking)

No. 87 Telegraphic [F 653/59/10]

FOREIGN OFFICE, February 28, 1921, 11 p.m.

My tel. No. 323 of 1920¹ and Mr. Clive's reply No. 439.²

¹ Of Oct. 14, 1920, not printed. This telegram had enquired whether Mr. Clive concurred with a proposal to send Mr. C. A. Bell, Political Officer in Sikkim, to Lhasa.

² Of Oct. 17, 1920, not printed. In this Mr. Clive had telegraphed his agreement to the despatch of Mr. Bell to Lhasa. For Mr. Bell's own account of this mission, see Sir Charles Bell, *Tibet Past and Present* (Clarendon Press, Oxford, 1924), chaps. xix-xxi.

Please see Bell's tel. No. 1 S to Government of India of January 14th [10th]³ on which your observations are requested.

Have you yet secured from Chinese Government the written assurance that they will not attack Tibet which you anticipated you would have no difficulty in obtaining for formal communication to Tibetan Government?

What are prospects of resumption of Tibetan negotiations?⁴

³ Not printed. In this Mr. Bell had detailed the arguments in favour of his remaining in Lhasa until April or May.

⁴ In his telegram No. 547 of Dec. 27, 1920, (not printed) Sir B. Alston had reported that in an interview with the Chinese President on Dec. 15 he had alluded to H.M.G.'s disappointment at the rupture of negotiations over Tibet 'and his Excellency promised to study the question and ascertain whether Chinese objections to resumption were still insuperable'. Sir B. Alston added that he proposed to remind H.E. of this promise, 'and if resumption is not possible will then press for written assurances . . . against any renewal of Chinese attacks'.

No. 242

Sir B. Alston (Peking) to Earl Curzon (Received March 4, 3 p.m.)

No. 105 Telegraphic [N 2865/2865/57]

PEKING, March 3, 1921, 9.30 p.m.

Agareff¹ who styles himself (? Vice President of) Mission of Far Eastern Republic has asked me to receive him unofficially in regard to possible relations between Great Britain and Far Eastern Republic. He was Mayor of Vladivostok and entertained our missions there in 1918-1919. He was then a moderate social revolutionary—but went into retirement during Kolchak régime.²

He arrived here early last year and I have met him once since then. I understand that he represents Vladivostok group on Yourin Mission.³

I have informed him that no useful purpose can be served by my seeing him as I am not in a position to discuss matter.

Figures by post to Tokio.

¹ For an earlier reference, see No. 182.

² See No. 21, n. 6.

³ See Nos. 108, 114, and 134.

No. 243

Sir B. Alston (Peking) to Earl Curzon (Received March 7, 5.15 p.m.)

*No. 114 Telegraphic [F 835/59/10]**

PEKING, March 5, 1921, 10.55 p.m.

Your telegram No. 87.¹

I strongly endorse the opinions expressed in Mr. Bell's telegram No. 15²

¹ No. 241.

² The reference is probably to Mr. Bell's telegram No. 1 S of Jan. 10, see No. 241, n. 3.

as to advisability of his remaining in Lhasa at least until April or May, which coincide with those expressed in my telegram No. 5.³

I have been carefully watching the situation here, and, in view of continued quiet on frontier and of Minister for Foreign Affairs' calm in regard to Tibet generally, have considered it better to wait until Chinese Government have had time to get curious about what Bell is doing before reopening question of negotiations or of written assurances.

In view, however, of Bell's suggestion, which now reaches me for the first time, that negotiations here should be timed to enable him to assist at Lhasa, I will take an early opportunity of asking Minister for Foreign Affairs whether he is yet in a position to discuss resumption. I am still of opinion that written assurances should only be asked for in the last resort and on the assumption that Bell is satisfied that they will be of use in re-establishment of the grateful Tibetan confidence in us, which from his recent telegrams would appear to be doubtful. If I have to ask them now, on the top of Bell's visit, I fear Chinese Government will regard the request as indicating willingness on our part to shelve main question, which is what we hope that visit will convince them we are not prepared to do.

(Sent to India.)

³ Of Jan. 5, not printed.

No. 244

Earl Curzon to Sir A. Geddes (Washington)

*No. 130 Telegraphic [F 701/2/10]**

FOREIGN OFFICE, March 6, 1921, 7.15 p.m.

Your telegram No. 113.¹

It is a relief to find that American Government share views of His Majesty's Government as to importance of maintaining the embargo. Necessity is so self-evident that apparent hesitation of State Department was matter of considerable perplexity to us.

Since matter was brought up the Japanese Government have carried question a step further (see Tokyo telegrams Nos. 54² and 55³).

You should bring contents of these and of previous correspondence to knowledge of State Department, and state that, in the event of their deciding to take action at Tokyo, we see no objection to their informing Japanese Government whence they have obtained the information. Most expedient method of procedure would doubtless be that American Ambassador at Tokyo should be authorised to discuss matter frankly with Sir C. Eliot, and that it should be left to their discretion to decide opportune moment for representations to Japanese Government.

(For your own information only.)

We fear it will prove quite impossible, for technical reasons which we

¹ No. 240.

² No. 231.

³ Of Feb. 6, not printed.

cannot control, to act upon suggestion in Peking telegram No. 53⁴ and cancel Vickers's contract; discussion should be kept off that point if possible. It has in any case been amply covered in previous telegrams.⁵

(Repeated to Paris and Peking for repetition to Tokyo, No. 58.)

⁴ No. 227.

⁵ e.g. Nos. 218 and 221.

No. 245

Earl Curzon to Sir B. Alston (Peking)

No. 99 Telegraphic [F 869/2/10]

FOREIGN OFFICE *March 9, 1921 [9 p.m.]*

Your telegram No. 53.¹

Proposal has been most carefully studied in all its bearings but is unfortunately impossible of adoption.

Figures supplied by Messrs. Vickers show that work upon the contract is practically complete but that considerable amount of material has still to be delivered to Chinese Government. If we forced firm to break their contract inevitable result would be that we should be held responsible for any failure by Chinese Government to meet their obligations to British investing public, and it would be useless to ask Treasury to accept such a position.

We could no doubt amend arms embargo to include future contracts for aircraft, but Vickers contract would have to be specifically excluded, and this would no doubt lead to charge of inconsistency in view of our attitude to Italian reservations² as to Italian contracts existing at time embargo was originally established. In the circumstances there seems no alternative but to leave matters as they are.

Confidential. Late Chinese Minister³ let drop in casual conversation just prior to departure that it was on the instructions of the Chinese Government sent through Legation at time of seizure last summer that shipments by Vickers had been suspended and deliveries made to Legation here. Firm are evasive on the point and may wish to hold us responsible in the event of Chinese Government defaulting and pleading firm's failure to deliver in justification. Can you confirm Minister's statement?⁴

Repeat to Tokyo. Copies sent to Paris, Washington and Rome.

¹ No. 227.

² See No. 68, n. 5.

³ See No. 225, n. 3.

⁴ In his telegram No. 125 of March 14 (not printed) Sir B. Alston replied that 'arrangements for delivery to Chinese Minister, London, were made by aeronautical department here with Vickers' representative. Department had insisted on consignment to Tien-tsin instead of to Shanghai, and as there were no sailings for Tien-tsin from October to January, they agreed to have Minister instructed to take delivery in London until freight became available.'

No. 246

Sir B. Alston (Peking) to Earl Curzon (Received March 10, 6.35 p.m.)

No. 116 Telegraphic [F 889/59/10]

PEKING, March 10, 1921, 12.10 p.m.

My telegram No. 114.¹

I . . .² Minister for Foreign Affairs yesterday of his promise to (? fix) up Tibetan question and alluded to desire of Chinese Government which he had recently expressed to me to secure consent of His Majesty's Government to Chinese consular representation in India.

His Excellency re-produced old arguments of consulting border provinces concerned and of difficulty of effecting a permanent settlement in absence of a Parliament.

As earliest date of assembly of any Parliament appears to be three months hence I pointed out undesirability of leaving question open indefinitely and assumed that he would have no objection to giving me in the meantime, in writing, assurances which I had received in April last from his predecessor.³ Minister for Foreign Affairs observed that there had been no recent movement of troops on Chinese side to give cause for apprehension but promised to consider matter.

His Excellency then proceeded to enquire into progress of negotiations for renewal of Anglo-Japanese alliance and repeated request of Chinese Government to be consulted. Enquiry may have been fortuitous but gave me impression that Minister for Foreign Affairs wished to link the two questions.

Repeated to India.

¹ No. 243.

² The text is here uncertain.

³ See No. 15.

No. 247

Mr. Paton (Vladivostok) to Earl Curzon (Received March 11, 10.50 p.m.)

No. 35 Telegraphic [N 3188/2648/57]

Confidential

VLADIVOSTOK, March 10, 1921, 12.20 p.m

Your telegram No. 19.¹

In principal [*sic*] I agree that inter-Allied Committee is no longer necessary but I do not see how Technical Committee can be retained without supervision of former. Matters of policy have hitherto been settled by inter-Allied Committee and I doubt if Technical Committee which concerns itself mainly with Chinese Eastern Railway is competent to deal with political questions affecting Russian railways. Or would intention be temporarily to entrust management of railways in South Maritime province to Russo-Japanese Committee as being parties really interested?

Japanese member to whom I mentioned matter privately considered that it was premature to raise question of abolishing Committee.

¹ No. 238.

American member (? on the) inter-Allied Committee is pronouncedly anti-Japanese and seems willing to accept statements of Chita Government at their face value. He can generally rely on full support of Chinese and Russian members and during past few months only intervention of French member and myself has prevented (? situation) from reaching impasse. In the circumstances unless American member is instructed by United States Government to adopt less hostile attitude perhaps it would be advisable to retain British member on Committee meantime. It is still too early to express any definite opinion regarding Chita Government but its Bolshevik tendency has been reported in my telegram No. 31.² Russian troops referred to in my telegram No. 24³ are directly responsible to Chita.

Repeated to Tokio and Peking.

² Of Feb. 28, not printed.

³ No. 236.

No. 248

*Sir B. Alston (Peking) to Earl Curzon (Received March 13, 12.10 p.m.)
No. 118 Telegraphic [N 3225/2648/57]*

PEKING, March 10, 1921, 9.45 p.m.

Tokio telegram No. 104.¹

Following from General Beckett. Begins.

While agreeing that era of utility of Inter-Allied Committee Vladivostock has long since passed and even considering that its existence to some extent hampers the technical board it is at present the only check on Japanese trespass on Ussuri railway which can at once be exercised. Maintenance of Ussuri railway (? there)² important from point of view of the Chinese Eastern Railway.

Technical board was called into existence as an appanage of allied railway committee. If latter be abolished question of the abolition of its dependent boards will in my opinion at once arise. Therefore better left in being temporarily until new arrangement completed when technical board could assume the whole duties. Ends.

I concur in view expressed in Sir C. Eliot's telegram No. 104.

As regards personnel of any new board of control Stevens and Beckett have no doubt incurred Japanese dislike (? by) withstanding attempt at Japanese encroachments but I do not think the latter is otherwise 'hostile' and I should be sorry to contemplate loss of his local experience.

Repeated to Tokio and Vladivostock.

¹ Of March 8, not printed. This had reported Japanese opposition to the United States' proposal to abolish the Inter-Allied Committee at Vladivostok and had stated Sir C. Eliot's opinion that 'great caution should be used in granting any change'.

² In the text of this telegram received at Tokyo this word read 'independence'.

No. 249

Earl Curzon to Sir B. Alston (Peking)

*No. 106 Telegraphic [F 335/335/10]**

FOREIGN OFFICE, *March 17, 1921, 6.15 p.m.*

Your despatch No. 777: Russians in China.¹

We have hitherto refrained from active intervention in a matter which we have regarded as primarily of Chinese concern. But we cannot regard with indifference a continued state of affairs which is bound to react unfavourably upon the status of foreigners generally in China. Treatment of Russians at Urga has evidently been disgraceful, and if you consider moment opportune you should intimate to Chinese Government that they would be well advised to act without further delay on lines suggested in Washington telegram No. 678 of 1920² and to prove their good faith by accepting forthwith recommendations of Diplomatic Body with regard to concessions at Tien-tsin and Hankow. They are on their trial, and their failure to make proper use of their opportunities is being noted and is creating unfavourable impression.

(For repetition from Peking to Tokyo, No. 66; repeated to Washington, No. 148, and copy to Paris.)

¹ Of Dec. 1, 1920, not printed. Cf. No. 123.

² No. 126. In his telegram No. 474 of Nov. 10 (not printed) Mr. Clive had reported an attack upon Urga by a band 'believed to consist of Russians or Buriats detached from Semenov's forces, with perhaps some Mongolian malcontents'. Some Americans in the town had, he said, reported that Chinese soldiers were 'looting and searching all Russian houses and terrifying Russian population, which is in fear of massacre'.

No. 250

Earl Curzon to His Majesty's Representatives in Central and South America

Unnumbered Circular [F 749/115/23]

Confidential

FOREIGN OFFICE, *March 18, 1921*

Sir,

In view of the growth of Japanese interests in Central and South America and the influx of Japanese labour, I should be glad if you would keep me regularly informed as to the economic and political tendencies of Japanese relations with . . .¹.

2. Especially, I am desirous to know whether any indication of a policy of *rapprochement* with Japan has been recently noticeable.

3. The relations of Japan with the States of South America may well have a growing importance in world politics, and anything of interest that

¹ The name of the country is omitted, as in the filed copy of this circular letter.

may come to your knowledge should be reported for the enlightenment of His Majesty's Government.²

I am, &c.

CURZON OF KEDLESTON

² The reports subsequently received indicated that while the import of Japanese goods was increasing in certain countries such as Brazil, Ecuador, and Uruguay there was no sign anywhere of any significant political *rapprochement*.

No. 251

Mr. Paton (Vladivostok) to Earl Curzon (Received March 21, 11.5 p.m.)

No. 39 Telegraphic [N 3581/2648/57]

VLADIVOSTOK, March 19, 1921, 8.20 p.m.

My telegram No. 37.¹

At meeting of Inter-Allied Committee yesterday Russian member drew the attention to frequent over-ruling of committee's decisions by Japanese military authorities and urged the necessity for establishing definitely committee's authority. If committee were powerless Russian railway officials would save time by applying direct to Japanese commandant.

American member informed me after meeting that he had reported to Washington that committee was now useless and that he had recommended its abolition.

Most feasible arrangement would seem to be to entrust the management of Ussuri Railway to joint Russo-Japanese Committee leaving Chinese Eastern Railway under Technical Board and abolishing Inter-Allied Committee. If Technical Board is left in charge of Ussuri Railway endless friction will arise with Japanese military authorities.

Repeated to Tokio, Peking.

¹ Of March 17, not printed.

No. 252

Colonel Etherton¹ (Kashgar) to Government of India

No. 43 Telegraphic [F 1537/226/10]

MISGAR, March 23, 1921²

Résumé of situation here follows for information. General Annenkov³ who as reported previously entered Chinese territory after Siberian collapse and went later to Urumchi, is now, with 480 men and two machine guns, at

¹ H.M. Consul-General at Kashgar.

² This telegram, dated March 12, was despatched from Misgar on March 23. A copy was received in the Foreign Office from the India Office on April 27.

³ Gen. Annenkov had commanded Russian forces under Admiral Kolchak. See Vol. VI, No. 752.

Kucheng north-east of Urumchi. I was informed by Secret telegram from Governor of Chinese Turkestan that much trouble is being caused by Annenkov, whose band includes 80 Hunhutzes (Manchurian brigands) and Chinese are now endeavouring to intern whole party in Kucheng, after depriving him of remainder of his arms and ammunition.

I have just had a visit from confidential agent from Sher Mohammed⁴ who states that desultory fighting has taken place in Ferghana and that Sher Mohammed is still helping Bokhara against Bolsheviks. I was again sounded by Sher Mohammed as to British assistance but I again informed him with all possible emphasis that in no circumstances could we comply with his request.

It is stated by agent that Jemmal Pasha⁵ has emissaries in Ferghana who are urging Pan-Islamic confederation but there is no response as yet.

There is no change in situation on Russian Pamirs but with advent of spring Bolshevik activity there will be increased.

As I have frequently reported before Bolsheviks are established in Kulja in north Chinese Turkestan where position is very unsettled and disturbances have occurred already resulting in about 200 casualties whilst efforts to foment trouble in Kashgar are being renewed and at my instance several persons have been turned out by Chinese and some put under arrest. Tashkend Soviet has broadcasted notice in Depei and Russian stating they are determined to secure representation in Kashgar and to establish Soviet there. Threats against self and Taoyin⁶ are contained in these notices and the situation here is undoubtedly serious although I pay little attention to those effusions. Taoyin has once more expressed to me his fears that Bolsheviks will in near future succeed in establishing themselves here but personally I am more optimistic and told him we will meet each move as it arises and that if all keep level heads and well-balanced minds we shall pull through. Full report on political situation following by post.⁷

⁴ A Muslim leader in the Ferghana region of Russian Turkestan.

⁵ Former Turkish Minister of Marine (1917-18), who had accompanied Enver Pasha to Russia in 1920: cf. Vol. IX, Nos. 80 and 437.

⁶ i.e. the Intendant of Circuit, a subordinate of the Governor of the Province, resident at Kashgar.

⁷ Untraced in Foreign Office archives.

No. 253

Sir B. Alston (Peking) to Earl Curzon (Received March 27, 9.40 p.m.)

No. 132 Telegraphic [F 1118/59/10]

PEKING, March 26, 1921, 12.10 p.m.

My telegrams Nos. 114¹ and 116.²

Minister for Foreign Affairs informed me on March 23rd that he had

¹ No. 243.

² No. 246.

may come to your knowledge should be reported for the enlightenment of His Majesty's Government.²

I am, &c.

CURZON OF KEDLESTON

² The reports subsequently received indicated that while the import of Japanese goods was increasing in certain countries such as Brazil, Ecuador, and Uruguay there was no sign anywhere of any significant political *rapprochement*.

No. 251

Mr. Paton (Vladivostok) to Earl Curzon (Received March 21, 11.5 p.m.)
No. 39 Telegraphic [N 3581/2648/57]

VLADIVOSTOK, March 19, 1921, 8.20 p.m.

My telegram No. 37.¹

At meeting of Inter-Allied Committee yesterday Russian member drew the attention to frequent over-ruling of committee's decisions by Japanese military authorities and urged the necessity for establishing definitely committee's authority. If committee were powerless Russian railway officials would save time by applying direct to Japanese commandant.

American member informed me after meeting that he had reported to Washington that committee was now useless and that he had recommended its abolition.

Most feasible arrangement would seem to be to entrust the management of Ussuri Railway to joint Russo-Japanese Committee leaving Chinese Eastern Railway under Technical Board and abolishing Inter-Allied Committee. If Technical Board is left in charge of Ussuri Railway endless friction will arise with Japanese military authorities.

Repeated to Tokio, Peking.

¹ Of March 17, not printed.

No. 252

Colonel Etherton¹ (Kashgar) to Government of India
No. 43 Telegraphic [F 1537/226/10]

MISGAR, March 23, 1921²

Résumé of situation here follows for information. General Annenkov³ who as reported previously entered Chinese territory after Siberian collapse and went later to Urumchi, is now, with 480 men and two machine guns, at

¹ H.M. Consul-General at Kashgar.

² This telegram, dated March 12, was despatched from Misgar on March 23. A copy was received in the Foreign Office from the India Office on April 27.

³ Gen. Annenkov had commanded Russian forces under Admiral Kolchak. See Vol. VI, No. 752.

Kucheng north-east of Urumchi. I was informed by Secret telegram from Governor of Chinese Turkestan that much trouble is being caused by Annenkov, whose band includes 80 Hunhutzes (Manchurian brigands) and Chinese are now endeavouring to intern whole party in Kucheng, after depriving him of remainder of his arms and ammunition.

I have just had a visit from confidential agent from Sher Mohammed⁴ who states that desultory fighting has taken place in Ferghana and that Sher Mohammed is still helping Bokhara against Bolsheviks. I was again sounded by Sher Mohammed as to British assistance but I again informed him with all possible emphasis that in no circumstances could we comply with his request.

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As I have frequently reported before Bolsheviks are established in Kulja in north Chinese Turkestan where position is very unsettled and disturbances have occurred already resulting in about 200 casualties whilst efforts to foment trouble in Kashgar are being renewed and at my instance several persons have been turned out by Chinese and some put under arrest. Tashkend Soviet has broadcasted notice in Depei and Russian stating they are determined to secure representation in Kashgar and to establish Soviet there. Threats against self and Taoyin⁶ are contained in these notices and the situation here is undoubtedly serious although I pay little attention to those effusions. Taoyin has once more expressed to me his fears that Bolsheviks will in near future succeed in establishing themselves here but personally I am more optimistic and told him we will meet each move as it arises and that if all keep level heads and well-balanced minds we shall pull through. Full report on political situation following by post.⁷

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⁵ Former Turkish Minister of Marine (1917-18), who had accompanied Enver Pasha to Russia in 1920: cf. Vol. IX, Nos. 80 and 437.

⁶ i.e. the Intendant of Circuit, a subordinate of the Governor of the Province, resident at Kashgar.

⁷ Untraced in Foreign Office archives.

No. 253

Sir B. Alston (Peking) to Earl Curzon (Received March 27, 9.40 p.m.)

No. 132 Telegraphic [F 1118/59/10]

PEKING, March 26, 1921, 12.10 p.m.

My telegrams Nos. 114¹ and 116.²

Minister for Foreign Affairs informed me on March 23rd that he had

¹ No. 243.

² No. 246.

telegraphed to Frontier Commission in connection with my request for assurances and was awaiting reply. In the meantime he had received news of attack by Tibetans on frontier and had also learned that Bell was very active politically at Lassa having arranged for erection of telegraph line and for acquisition of certain lands in lieu of payment for articles purchased from us by Tibetans.

Alleged Tibetan attack is probably that reported in message from Tachienlu of March 12th repeated in my immediately succeeding telegram¹ and no doubt Bell will do what is possible to prevent any aggressive action from Tibetan side.

Minister for Foreign Affairs went on to express hope that Bell would not negotiate any agreement with Tibet as China would be unable to recognise such and it is evident that Chinese Government are at last taking an interest in his presence at Lassa.

I expressed surprise at hearing such garbled versions of Bell's doings of which there had never been any concealment and asked Minister for Foreign Affairs whether he intended to revert to the old policy of refusing to consider either a provisional arrangement or a permanent settlement. He disclaimed any such intention but pleaded necessity of prior consultation with Frontier Commissioner before written assurances could be given and precarious state of present Government as a bar to resumption of formal negotiations.

(? Despatches) received here during last fortnight of completeness of Chinese defeat in Mongolia will probably influence Government against resumption of negotiations regarding Tibet but much will depend on accuracy or otherwise of reports of Tibetan invasion of frontier.

I have instructed Mr. King⁴ to keep me fully informed and it would be useful to me to know whether Lushingchi or any other Chinese agent is sending reports to Peking about Bell.

Sent to India.

¹ Peking No. 133 of March 26, not printed. This reported a complaint by the Chinese Frontier Commissioner that 400 Tibetan cavalry had crossed the frontier and had reached Changtai west of Chantui.

⁴ See No. 187, n. 2.

No. 254

Sir A. Geddes (Washington) to Earl Curzon (Received April 1)

*No. 177 Telegraphic [F 1169/45/10]**

WASHINGTON, March 31, 1921

Your telegram No. 84 of 25th February to Peking.¹

My immediately following telegram² contains substance of a memorandum drawn up by United States Ambassador at Tokyo while here,³ and represent-

¹ No. 239.

² No. 178 of March 31, not printed.

³ For this memorandum, see *F.R.U.S.* 1921, vol. i, pp. 564-6.

ing, as I believe, views of Mr. Stevens, embodying a proposed agreement for control of Chinese Eastern Railway intended to replace that concluded in January 1919.⁴

Secretary of State has now communicated this memorandum to me officially, with a covering note promising to welcome any comments or suggestions.⁵ He has informed me verbally that, for the present, he wishes to confine discussion to question of control of railway, leaving financial and other issues aside.

Please instruct me what reply I should return.

Secretary of State has asked me to bring this matter urgently to your Excellency's attention.

⁴ For this agreement, see Vol. III, No. 256, Annex B.

⁵ See *F.R.U.S.* 1921, vol. i, p. 573.

No. 255

Earl Curzon to Sir L. Carnegie¹ (Lisbon)

No. 25 Telegraphic [F 1147/575/10]

FOREIGN OFFICE, *April 1, 1921, 10.30 a.m.*

Rio telegram No. 47² and my reply No. 38.³

Please take such steps as you think desirable to counteract this mischievous report.

Facts are on record at His Majesty's Legation at Lisbon and if there is any misunderstanding of loyal attitude throughout adopted by His Majesty's Government, you should take immediate steps to dispel it.

Repeated to Rio No. 39 and Peking No. 122.

¹ H.M. Minister at Lisbon.

² Of March 30, not printed. This had reported a telegram from the United Press special correspondent, Lisbon, to the Brazilian newspaper *Pais* suggesting that Portugal was prevented from constructing a harbour at Macao 'because Hong Kong would lose its trade and importance', and that England had secretly induced China to object to the construction, 'it being even . . . rumoured that anti-Portuguese movement in China is England's work'. For a previous dispute about the harbour at Macao, see Vol. VI, No. 800, n. 3.

³ Of April 1, not printed.

No. 256

Sir L. Carnegie (Lisbon) to Earl Curzon (Received April 3, 11.45 a.m.)

No. 29 Telegraphic [F 1177/575/10]

LISBON, *April 2, 1921, 9 p.m.*

Your telegram No. 25.¹

I saw the Secretary General at Ministry for Foreign Affairs yesterday evening who as I expected was much surprised and annoyed at the mendacious report published in Rio for which he said there was no shadow of

¹ No. 255.

justification. On the contrary the Portuguese Government were most grateful for the assistance given them by His Majesty's Government throughout their dispute with China respecting the port at Macao and an official expression of their thanks had already been or was about to be sent. Report was all the more ridiculous as the dispute had been satisfactorily settled some 2 months ago. He promised that semi-official *démenti* should be published here² and in Rio by the Portuguese representative.

He also said that he would endeavour to discover whether the report really was sent from Lisbon, which he doubted, for he could not believe that it would have been allowed to pass by the censorship authorities.

Repeated to Rio.

² In his telegram No. 31 of April 7 (not printed) Sir L. Carnegie reported the publication on that day of the promised *démenti*, and in Foreign Office telegram No. 32 of April 12 (not printed) Sir L. Carnegie was instructed to convey H.M.G.'s thanks to the Portuguese Government for the promptitude and loyalty with which they had acted.

No. 257

Earl Curzon to Sir B. Alston (Peking)

*No. 137 Telegraphic [F 1169/45/10]**

FOREIGN OFFICE, *April 5, 1921, 6 p.m.*

Washington telegrams Nos. 177¹ and 178.²

Please telegraph your own and General Beckett's observations as soon as possible.

Point that at once suggests itself is that either China or Russia, or possibly both, may make difficulties unless judiciously handled and prepared for scheme of this nature. No doubt you will discuss matter fully and frankly with your American colleague, bearing in mind that practical object at which we both aim is preservation of Chinese Eastern Railway and prevention of its domination by any Power other than its legitimate owner.

You should keep Sir C. Eliot confidentially informed of scheme and of any developments.

(Repeated to Washington, No. 185; copy to Paris.)

¹ No. 254.

² See No. 254, n. 2.

No. 258

Earl Curzon to Mr. Paton (Vladivostok)

No. 36 Telegraphic [N 3581/2648/57]

Secret

FOREIGN OFFICE, *April 5, 1921, 9 p.m.*

(Inter-Allied Railway Board.)

Your telegram No. 39 (March 19th).¹

You should be careful not to commit us to abolition of Board, in view of caveat lodged by both Sir C. Eliot and Sir B. Alston.²

¹ No. 251.

² See Nos. 248 and 248, n. 1.

You should exercise greatest discretion in any discussions you may have with your Japanese colleague, bearing in mind Japanese aspirations on Chinese Eastern Railway, and necessity of avoiding giving any excuse to challenge status of Harbin Technical Board.

Repeated to Washington No. 186, Peking No. 139 for repetition to Tokio.

No. 259

Note from Earl Curzon to the U.S. Chargé d'Affaires

[F 1106/2/10]*

FOREIGN OFFICE, April 5, 1921

Sir,

I have the honour to acknowledge the receipt of your confidential note of the 22nd March,¹ in which you were good enough to inform His Majesty's Government that, although under recent legislation passed by Congress the United States Government have no longer any legal basis upon which to exercise the control which they have hitherto maintained upon the shipment of arms and ammunition to China, yet your Government have not changed their policy in this matter, and are seeking such legislation as may be necessary to secure to them such control in future.

2. His Majesty's Government note with particular satisfaction that the United States Government are determined to maintain this policy in the matter of the arms traffic with China—a policy which His Majesty's Government have for their part steadfastly kept before them ever since the original institution of the arms embargo in May 1919. Secure henceforth in the knowledge that our two Governments are animated by a similarity of view, it should be the less difficult to resist any attempts that may henceforth be made in interested quarters to obtain the concurrence of the Powers in any modification of the embargo.

3. His Majesty's Government are more convinced than ever that a strict maintenance of the embargo is in the best interests of the Chinese people, and should gradually tend to diminish the civil discord which still prevails in that country.

I have, &c.

CURZON OF KEDLESTON

¹ For this note, see *F.R.U.S. 1921*, vol. i, pp. 552–3 and n. 62. Sir C. Eliot was informed of this note and of Lord Curzon's reply in Foreign Office telegram No. 78 of April 8, not printed.

No. 260

Sir B. Alston (Peking) to Earl Curzon (Received April 9, 1.30 p.m.)

No. 150 Telegraphic [N 4353/2865/57]

PEKING, April 7, 1921, 4.20 p.m.

Yourin has transmitted to foreign representatives here a declaration

addressed by Far Eastern Republic to all Governments an expression of hope¹ that normal relations will be established at an early date.

Following is summary of preamble and principal clauses:

To save Far East from becoming permanently . . .² warfare against Soviet Russia, inhabitants of Far East Russia have abandoned immediate reunion with Russia and formed independent sovereign Republic recognised by Soviet Government by an act of May 14th 1920.³

1. Far East Republic includes former Russian territory east of Selenza and [Lake] Baikal to Pacific, Primorsk and Northern Saghalien.

3. Presence of any foreign armed force is considered an act of gross violence and usurpation.

4. All former Russian treaty rights in 'leased territory' (query Chinese Eastern Railway zone) revert to Far Eastern Republic and are subject to revision conjointly by Far Eastern Republic, Soviet Government and Chinese Government.

6 & 7. Government, to be founded by Constituent Assembly, will consist of representatives elected by universal direct equal and secret ballot and on principle of proportional representation. All classes⁴ distinctions and privileges are abolished and personal immunity with freedom of press, speech, strike etc. guaranteed.

9. Political amnesty will be issued without delay.

10. Private ownership untouched. Government guarantees full immunity to foreigners wishing to live in territory of Republic. 'Limitation of rights of private property may be extended only in the interests of the general public and only in cases provided by law'.

11. No private ownership of land. Open door and equal opportunities for foreign industry and trade.

Note enclosing declaration was left here personally by Yourin. I declined to see him and merely authorised a junior member of my staff to receive the document which I have not acknowledged.⁵ My colleague[?]s followed a similar line.

Text of declaration follows by post.⁶

A note addressed to people and Government of China which was at the same time transmitted by Yourin to Wai-chaio-pu [*sic*] states that Constituent Assembly is ready to re-consider all Russo-Chinese treaties including those

¹ The text of this telegram received at Tokyo read: 'Governments with an expressed hope'. The declaration was also summarized in Vladivostok telegram No. 48 of April 4, not printed.

² The text is here uncertain. It was suggested on the text received at Tokyo that 'involved in' should be included.

³ For an English translation of this Act, see H. K. Norton, *The Far Eastern Republic of Siberia* (London, 1923), p. 281. The Russian text is printed in *D.V.P.S.S.R.*, vol. ii, No. 346 (p. 514).

⁴ The text received at Tokyo read 'class'.

⁵ Sir B. Alston's action was approved in Foreign Office despatch No. 556 of June 17, not printed.

⁶ Sent under cover of Sir B. Alston's despatch No. 208 of April 16, not printed.

relating to Chinese Eastern Railway 'on a basis of equality to China and to Far Eastern Republic' and expresses desire for establishment of treaty relations.

(Repeated to Tokio, copy to Vladivostock and Harbin.)

No. 261

Memorandum by Mr. Lampson on correspondence with the Canadian Government relating to the Anglo-Japanese Alliance

[F 1579/63/23]

FOREIGN OFFICE, April 8, 1921

1. On the 15th February the Prime Minister of Canada telegraphed to Mr. Lloyd George, giving the considered opinion of the Canadian Government on the question of the renewal or non-renewal of the Anglo-Japanese Alliance.¹

2. The views of the Canadian Government ran as follows. They felt that every possible effort should be made to find some alternative policy to that of renewal. Whilst admitting that in the past the Alliance had been useful, they were of opinion that conditions had so altered that the considerations of imperial defence no longer held; whilst the objections to the Alliance had greatly increased, the Canadian Government wished to emphasise the importance of promoting good relations with the United States. In view of the tendency of America to abandon her attitude of isolation, and of her traditional special interests in China; further, in view of the increasing prominence of the Pacific as a scene of action, it appeared to the Canadian Government that there was a danger that any special confidential relationship between Great Britain and Japan with regard to the Far East, to which America was not a party, would come to be regarded by America as an unfriendly exclusion and as a barrier to an English-speaking concord. The specific recommendations of the Canadian Government were, therefore, that we should terminate the Alliance and at once endeavour to bring about a Conference of the Pacific Powers—i.e. Japan, China, the United States and the British Empire (the latter represented by Great Britain, Canada, Australia and New Zealand)—for the purpose of adjusting Far Eastern and Pacific questions. The Canadian Government held that such a course would enable us to terminate the Alliance with a good grace and to reconcile our position in respect of China and the United States. Moreover, it would be a practical application of the principles of the League of Nations. If it eventuated in a working Pacific concert, it would be a great gain to Anglo-American relations. In any case, the Canadian Government considered it highly important to know before the Meeting of the Imperial Cabinet

¹ A paraphrase of this telegram (not printed) was transmitted to the Foreign Office on the instructions of Mr. Philip Kerr, the Prime Minister's Secretary, on March 2. The Canadian Prime Minister at this time was Mr. Arthur Meighen.

in June next, what was possible in the above direction, in order that the whole problem might be fairly considered at that Meeting. They therefore suggested that a representative of the Canadian Government, who would be Sir Robert Borden,² should get into touch with the new President of the United States and his Secretary of State as soon as possible, and discover, through informal and confidential conversations, whether such a policy as that adumbrated were possible or not. The Canadian Government considered this method of procedure the most appropriate because the Pacific Dominions were in reality more vitally affected than other parts of the Empire, and also because the proposal, if it came from Canada, seemed best calculated to attract the Government at Washington.

3. On the 22nd February, the Prime Minister replied.³ He stated that the Cabinet entirely shared the views of the Canadian Government as to the importance of considering the renewal of the Anglo-Japanese Alliance from the point of view of future relations between the United States and the nations of the British Empire, and he agreed that it was of the utmost importance to carry the United States with us in whatever action might eventually be decided upon. At the same time, there were certain objections to the immediate adoption of the Canadian proposal. Firstly, nothing should be done to prejudice the complete liberty of action of the forthcoming Imperial Cabinet. The question of renewal affected all the Dominions, especially Canada, Australia, and New Zealand; it also affected India and the British Possessions in the Far East. It was feared that the formulation, in however tentative a manner, of a proposal to the United States for a Round Table Conference to discuss the Pacific question, could hardly fail to tie the hands of the Imperial Conference in June, especially if the proposal were favourably received by Washington. In any case, it was the opinion of His Majesty's Government that the other Dominions would have to be consulted before any such proposal were approved. Furthermore, although there was much to be said for a Conference of the nature proposed as the possible ultimate solution, there were many questions to be settled before such a procedure could be decided upon. The international position of Great Britain and the general foreign policy of the Empire were affected by the questions at issue, which were inseparably bound up with the problem of naval shipbuilding, the future of the League of Nations and its disarmament programme. Various expert Committees here had been considering for some time past the various political, economic, military and naval issue[s] involved, in order to lay before the Imperial Cabinet all the considerations upon which to base a decision. Consequently, His Majesty's Government held that there were very strong arguments for discussing the whole problem fully between the various Governments of the British Empire in the light of the information now being collected, before any approaches, however informal, were made to the United States. At the same time, His Majesty's

² Prime Minister of Canada, 1911-20.

³ A copy of this telegram (not printed) was transmitted to the Foreign Office, on the instructions of the Prime Minister's Secretary, on Feb. 24.

Government recognised that the attitude of the United States Government towards foreign questions, disarmament and the League of Nations, must be a vital factor in the deliberations, and His Majesty's Government would accordingly be very glad to exchange views with the Government of Canada, both on the main problem and also as to whether American opinion should be sounded before the Meeting of the Imperial Cabinet and the manner in which this could be done without prejudicing the freedom of action of the Imperial Cabinet. To this end, it was suggested that Sir Robert Borden might come to London to confer with His Majesty's Government. After discussing the problem with him, it might be possible to place before the other Dominion Governments the tentative conclusions reached during the discussions with him.

4. Replying on the 1st of April,⁴ the Canadian Government took the point of view that the effect of failing to take steps forthwith would be to prejudice the liberty of action of the June Meeting. There would be no opportunity for discussion for at least another year after the Meeting of the Imperial Cabinet, which must necessarily be short. And the Canadian Government were apprehensive lest the Imperial Cabinet should find themselves confronted with only two alternatives, i.e. either termination of the Alliance, or renewal, in either its present or modified form. The Meeting might then be compelled by reason of Japanese susceptibilities, to adopt a policy of renewal simply because no one could present a practical alternative with any confidence. This, they thought, would result in the Alliance continuing for at least a further two years, but in any alternative, (*sic*) becoming increasingly difficult owing to lapse of time. As regards the contention of His Majesty's Government that the findings of the various Committees should be awaited, the Canadian Government feared that the Alliance would remain in suspense a very long time if it had to wait upon the settlement of the questions of naval shipbuilding, disarmament, and the future of the League of Nations, nor could the Canadian Government entirely appreciate the exact connection between the Alliance and these questions. Any suggestion that the decision as to the renewal or non-renewal of the Alliance must depend upon the attitude of America towards these questions, seemed to involve not only an entirely new orientation of the Alliance, but also the introduction of an entirely new idea into the polity of the North American continent and into the relations between Canada and the United States, for which, in the opinion of the Canadian Government, the time had not yet come. Rather than the Alliance depending upon the settlement of such questions as disarmament, etc., it seemed to the Canadian Government that the settlement of those questions in fact depended upon our promoting in every direction a frank and friendly policy of co-operation with America, such as Canada now proposed: there was more promise in such a policy than in any abstract discussion of armaments. The region where both the British Empire and the United States would in all probability find themselves

⁴ A paraphrase of this telegram (not printed) was transmitted to Lord Curzon by the Prime Minister's Secretary on April 5.

most actively interested, was the Pacific, which therefore offered the most immediate field for practical co-operation. And it was the Canadian view that it was of the greatest importance to seize any opportunity for the promotion of such a policy, and that delay could only do harm. Canada's position in this matter was a very special one. Of the Canadian people more than of any other people was it true that their welfare and security were intimately bound up in any question vitally affecting relations between the Empire and the United States. The Canadian people would expect every effort to be made towards the policy of co-operation; as it involved the first definite step of primary significance in British-American relations since the cessation of the war they would attach great importance to the present question. In spite of occasional differences with America, the whole experience of Canada had been favourable to the principle of co-operation, and the Canadian people would recoil from anything tending in the contrary direction. Canadians had special opportunities to understand and to deal with Americans through long association and intercourse. They were not likely to be convinced by the conclusions of Committees which must be necessarily lacking in that intimate experience and association which was essential to sound judgment. The Canadian Government were emphatically of opinion that action should be taken as soon as possible along the lines of their original proposal. The alternative solution might have to be that only those parts of the Empire should join in renewal of the Alliance who were desirous of doing so, much on the analogy of the abortive Anglo-Franco-American Treaty, concluded at Paris. But the Canadian Government were anxious if possible to avoid the implication of such a solution.

II. Comments upon above Correspondence

The following comments on the above correspondence are offered.

5. The position may be summed up to the effect that the Canadian Government are determined to sound America before the meeting of the Imperial Cabinet in June next, and there is evidently a danger that, unless His Majesty's Government take immediate action to still their fears, Canada may take independent action.

6. Faced with this prospect it is not inappropriate to recall that in the report presented to the Secretary of State on January 21st by the Departmental Committee,⁵ the conclusions arrived at were in the main in harmony with those now advanced by the Canadian Government, though the actual method of procedure in reaching an arrangement with America was not touched upon. The recommendations of the Committee may be quoted for convenience of reference.

7. They run as follows . . .⁶.

8. What the Committee advocated was a Tripartite Entente between Great Britain, America and Japan. Canada carries the idea a step further and wishes to include China and the Dominions concerned in a Round

⁵ No. 212.

⁶ For the passages here omitted see No. 212, sections 29-31.

Table discussion of the problems in the Pacific. It should be remembered in this connection that the Committee laid emphasis in their report (paragraph 21) upon the importance of giving due weight to the effect upon China of any renewal of the Alliance. And Sir B. Alston has more than once made the same recommendations:⁷ the Chinese Government have alluded to the matter themselves.⁸

9. Unless prompt action is taken, we may see an immediate move, independently of His Majesty's Government, between Canada and the United States on the problems of the Pacific and Japanese policy in that region. Reading between the lines it is significant that the report published in the press here as long ago as last December ('Morning Post', December 1),⁹ spoke of the possibility of an arrangement between the United States, Canada, Australia, and New Zealand. Senator Lodge was quoted as favouring such an arrangement. It is true that the report referred only to Asiatic immigration and was denied by the Canadian Government ('The Times', December 29).¹⁰ But Canada's present attitude harmonises with such a possibility and it is by no means impossible that we may see a gravitation of Canada, perhaps also of Australia, and New Zealand, towards America for a union of Pacific Nations of the Anglo-Saxon stock.

10. There can be little, if any, doubt that the policy of Anglo-American cooperation in the Pacific advocated by Canada is the right one, and the recommendations of the departmental Committee seem to supply the answer to the problem with which His Majesty's Government are now confronted through Canada's action, namely that of holding the Empire together and obtaining unanimity of opinion at the forthcoming meeting of Colonial [*sic*] Premiers in June in favour of such an Anglo-American understanding. If copies of the Committee's report could forthwith be submitted in confidence to the Canadian Government (and other Dominion Governments), it might serve to show that the views held here dovetail with those of the Canadian Government. It would have the additional advantage of proving to the Canadian Government that such Committees, of which they show themselves somewhat scornful, possess both knowledge of the issues at stake and appreciation of the special advantages to be drawn from Anglo-American cooperation not only in the Pacific, but throughout the entire world.

11. It may be remembered that as soon as it was known that Colonel Amery's Committee¹¹ had called for a report upon the Alliance from the Foreign Office for the enlightenment of the Dominions, it was proposed that the departmental Committee's report should be issued to them in amplification of an earlier memorandum drawn up in March 1920,¹² which had already gone to them. But it was decided in the negative.

12. In view of the present correspondence with Canada, it seems very

⁷ See e.g. No. 80.

⁸ See Nos. 35 and 95.

⁹ The *Morning Post*, Dec. 1, 1920, p. 9.

¹⁰ The *Times*, Dec. 29, p. 8.

¹¹ Lt.-Col. L. S. Amery, Parliamentary Under-Secretary for the Colonies, had been chairman of an interdepartmental committee to consider the agenda and arrangements for the forthcoming Imperial Conference.

¹² Vol. VI, No. 761.

desirable to issue the Committee's report before further misunderstanding arises as to the views held here. For the earlier Foreign Office memorandum which the Dominions already have in their possession, is, to all intents and purposes, in favour of renewal, whilst favouring a tripartite understanding between ourselves, America and Japan, as the ideal solution; whereas the report of January 21st goes much further and makes definite recommendations for such a tripartite entente. If our attitude is not to be misunderstood it seems very desirable to issue the latter paper as soon as possible now that we know the Dominions are becoming restive and are not content to await the assembling of the Imperial Cabinet to discuss the arguments for and against renewal.¹³

M. W. LAMPSON

¹³ In a minute dated April 8 Sir W. Tyrrell commented as follows: 'If Canada insists on moving at Washington by the despatch of Sir Robert Borden without having come to an agreement with us, she will be playing into the hands of Senator Lodge and his party who hope to utilize the question of the Japanese Alliance for the purpose of detaching her and possibly Australia with a view to shift the centre of the English-speaking communities from London to Washington. Every effort therefore should be made to prevent this. If on the contrary we can arrive at an agreement with Canada on this subject, nobody is better fitted to sound the Americans informally than Canada.' He went on to suggest the basis for a telegram in reply to Mr. Meighen which was drafted by Lord Curzon and of which the following is a paraphrase: 'Following message for Mr. Meighen. Begins. The Prime Minister desires me to send you the following message. Your Government may rest assured that until the June meeting of Imperial Cabinet question of renewal in any form of Anglo-Japanese Alliance will be left entirely open as an act of courtesy to Japanese Government and in deference to your apprehensions, former has been informed that until the future policy of Empire has been decided upon by Imperial Cabinet no decision can be reached [see e.g. Nos. 41, 70, and 74]; and in our judgment neither promptitude of decision nor freedom of action will in any way be compromised by awaiting this discussion. In the meantime we propose to ask Japanese Government since it would be impossible to communicate decision before the date of the expiry of the present Treaty in July to agree to prolong for another three months the present agreement. The proposal of a Conference of Pacific Powers is one which the Imperial Cabinet may well discuss but which is impossible for us to prejudge at this stage owing to the attitude adopted by Australia. In the meantime we would strongly urge that Canadian Government should not approach Washington Government independently at this stage. Later on, we shall be very glad to profit by the services offered by the Canadian Government if consultation with America becomes necessary when definite policy has been decided upon. Ends.' The telegram (F 1696/63/23) was sent to the Governor-General of Canada by the Secretary of State for the Colonies, Mr. Winston Churchill, on April 26 at 9.30 p.m.

No. 262

Sir B. Alston (Peking) to Earl Curzon (Received April 11, 10.30 a.m.)
*No. 156 Telegraphic [F 1285/81/10]**

PEKING, April 10, 1921, 12.30 p.m.

Intelligence report.

Sun Yat Sen¹ was elected on 7th April President of the Republic by active remnants of the old Parliament at Canton.

¹ Cf. Nos. 215 and 152, n. 3.

Object is to secure recognition by the Powers, but Canton only controls the single province of Kwangtung, and Sun Yat Sen had threatened to leave unless he was elected.

No. 263

Sir B. Alston (Peking) to Earl Curzon (Received April 13)

*No. 163 Telegraphic [F 1346/45/10]**

PEKING, April 12, 1921

Your telegram No. 137.¹

United States Legation were informed of proposed scheme some time ago, but were instructed not to discuss subject with anyone. They are telegraphing to Washington accordingly, also to ascertain whether United States Government have approached any other Government than His Majesty's Government.

Consent of Japanese Government to international control is manifestly essential to success of any such scheme.

I would also refer you to my telegram No. 150, wherein you will see that Chita Government have proposed to Chinese Government revision of existing arrangements regarding Chinese Eastern Railway.² I venture to think it is rather for Americans than ourselves to take the lead in sounding Chinese Government; apart from political considerations involved, I have reason to believe General Beckett is in general agreement with proposals, but I am asking for his observations.

(Repeated to Tokyo.)

¹ No. 257.

² No. 260.

No. 264

Sir B. Alston (Peking) to Earl Curzon (Received April 15, 11.30 a.m.)

No. 164 Telegraphic [F 1385/59/10]

PEKING, April 14, 1921, 1.10 p.m.

My telegram No. 132.¹

Recent reports received by me from King and by Wai-Chiao-Pu from frontier commissioner regarding hostilities on the frontier appear to indicate that there are three alleged movements in progress.

1. By Tibetan troops against Chantui.
2. By Hsiang Cheng brigands against Chung Tien.
3. By Liutsanting from Yunnan against Szechuen garrison at Batang.

I have made it clear to Wai-Chiao-Pu that while we are doing our best to

¹ No. 253.

prevent any Tibetan advance which we do not admit has occurred, as alleged in paragraph 1, we have no concern with paragraphs 2 and 3.

Disturbed condition on the frontier is likely in any case to delay the issue of written assurances (? by) Government while dispute between Yunnan and Szechuen frontier authorities if it develops might render any assurances of doubtful value.

In view of information contained in Bell's confidential report of January 20th (? 19) from Lhasa (received from Government of India) as to state of Tibetan feeling² and in view also of impossibility of forcing China to an agreement with means at our disposal here while she has her own means of intriguing with Tibet direct, I would venture to urge that His Majesty's Government consider advisability of allowing Bell to remain at Lhasa until our future policy is decided (see my despatch No. 365 very confidential of May 21st, 1920).³

Sent to India.

² Not printed. A copy was transmitted by the India Office to the Foreign Office on March 12.

³ Not printed.

No. 265

Note from Earl Curzon to the Japanese Ambassador

[F 1263/78/23]*

FOREIGN OFFICE, April 14, 1921

Your Excellency,

I have the honour to acknowledge the receipt of your note of the 6th April,¹ in which you stated that the Japanese Government, sharing with His Majesty's Government the wish speedily to arrive at a settlement of the case of Mr. Shaw, had instructed your Excellency to confirm and exchange with me the revised formula of settlement which I had placed before the Japanese Government through your good offices.

2. I accept the settlement upon these terms on behalf of His Majesty's Government, and for purposes of record a copy of the formula agreed upon by our two Governments is attached hereto.

3. I take note of the assurance of the Japanese Government contained in the final paragraph of your note to the effect that they will use their best endeavour to prevent further proceedings against Mr. Shaw; the difficulty of, in any way, undertaking to influence the Japanese judiciary is fully appreciated.

4. The matter having now reached its final stage, I am prepared to authorise His Majesty's Ambassador at Tokyo to accept from the Japanese Government, in accordance with paragraph 1 of the attached formula, the sum of 1,500 yen as the equivalent of the bail deposited by Mr. Shaw, and

¹ Not printed.

I shall be much obliged if you will invite Count Uchida to hand this sum to Sir C. Eliot.²

I have, &c.

CURZON OF KEDLESTON

² In his telegram No. 143 of April 21 (not printed) Sir C. Eliot reported that the Japanese Minister for Foreign Affairs had handed him the 1,500 yen in notes.

ENCLOSURE IN No. 265

Formula of Settlement

Confidential

As Mr. Shaw has already been released on bail and allowed to leave Japan, the Japanese Government, while maintaining their point of view with regard to the legal question which has arisen, yet being anxious to meet in every way possible the wishes of their ally, will hand over, as an act of courtesy, to His Majesty's Government, for transmission to Mr. Shaw, a sum of 1,500 yen, which is equivalent to the bail he has deposited.

2. His Majesty's Government, appreciating the manner in which the Japanese Government have endeavoured to meet their wishes, accept the settlement of the case on these terms, while equally maintaining their point of view as to the legal question.

3. Neither Government propose to make any public announcement with regard to the terms of settlement of the case, unless pressed to do so; in that event they will, so far as may be practicable, confine anything they may say to a statement in general terms.

No. 266

Earl Curzon to Sir B. Alston (Peking)

No. 157 Telegraphic [N 4353/2865/57]

FOREIGN OFFICE, April 19, 1921, 7 p.m.

Peking telegram No. 150.¹

His Majesty's Government are not prepared to take any initiative in this connection, but I would be glad to receive your views in general and especially as to effect on the Government to which you are accredited of the establishment of more normal relations with the Far Eastern Republic.

Addressed to Peking No. 157 and for reference to Tokio No. 88, Vladivostock No. 40.

¹ No. 260.

No. 267

Earl Curzon to Sir B. Alston (Peking)

*No. 393 [F 833/833/10]**

Confidential

FOREIGN OFFICE, *April 19, 1921*

Sir,

It was lately brought to my attention that the question of restoring Wei-hai Wei to China might again be raised in connection with the situation in Shantung, and the enclosed memorandum by Mr. C. W. Campbell¹ was written to bring together the various facts and views bearing on the matter.

2. It is evident that the arguments against the return of Wei-hai Wei, except as part of a general settlement based on the abandonment by all interested Powers of these leased territories in China, are as cogent now as they were in 1918. I shall, however, be glad to receive your observations on the contents of this memorandum, and to learn whether, in your opinion, the considerations governing the situation have been in any way modified.²

I am, &c.

CURZON OF KEDLESTON

¹ Of March 3, not printed.

² In his despatch No. 371 of July 1 (not printed) Sir B. Alston replied that he was 'in general agreement with the views expressed in 1918 and 1919 and in the conclusion arrived at by Mr. Campbell viz. that there is no reason for raising the question of the rendition of Wei-hai-wei at the present time. . . . On the whole . . . it would seem desirable to await the departure of the Japanese from Tsingtao and Shantung before pursuing the question of the return of Wei-hai-wei to China. . . .'

No. 268

Note from the Japanese Ambassador to Earl Curzon (Received April 27)

[F 1536/132/10]

JAPANESE EMBASSY, LONDON, *April 25, 1921*

My Lord,

Acting under instructions from His Majesty's Minister for Foreign Affairs, I have the honour to transmit to your Lordship, herewith enclosed, a Memorandum which I have just received from Tokio in reply to the Memorandum of the British Government dated 20th July, 1920,¹ on the subject of the Japanese administration of Tsingtau.²

From the Japanese Memorandum it appears that the complaints of the British merchants and shipping companies in the cases adduced were altogether based on misunderstandings or misinformation. I venture, therefore, to take this opportunity of suggesting that your Lordship might see your way to advise the British merchants in China to approach in future the

¹ See No. 93, n. 2.

² Not printed. This detailed memorandum answered complaints in seventeen 'cases'.

local Japanese authorities concerned, immediately they have grounds for doubting their efficiency or suspecting their fairness. This will doubtless be the best way to eliminate any further confusion in matters of this description and I am sure that any such suggestions received from British merchants will be much appreciated by the local Japanese authorities, who are trying, to the best of their abilities, to observe faithfully the principle of the open door and equal opportunities.

I have, &c.
HAYASHI

No. 269

Sir B. Alston (Peking) to Earl Curzon (Received April 29, 11.40 a.m.)
No. 183 Telegraphic [F 1598/45/10]

PEKING, April 27, 1921, 5.40 p.m.

Your telegram No. 155.¹

General Beckett concurs generally in American proposal subject to certain modifications of detail. He agrees with conclusion in penultimate paragraph of your telegram No. 136.²

I am, however, more than ever convinced that there will be strong opposition from Japanese who will resent international check on their ambitions in north Manchuria and will in consequence require very careful handling and secondly, from Chinese, who have hopes of controlling railway themselves holding it so to speak in trust as a matter for settlement (? conjointly with) future recognized Russian Government. French may support proposal in the interests of the Russo-Chinese Bank. They would probably strongly oppose Chinese control,³ which is the only logical alternative.⁴

Repeated to Tokyo and Harbin for confidential information of General Beckett.

¹ Of April 18, not printed.

² This was a repetition to Peking of Washington telegram No. 178 of March 31 (see No. 254, n. 2). The penultimate paragraph summarized the penultimate paragraph of the U.S. Government's memorandum referred to in No. 254.

³ In the text received at Tokyo the preceding phrase read: 'There would probably be strong opposition (? to) Chinese control'.

⁴ For the communication of Sir B. Alston's views to the U.S. Secretary of State, see No. 276 below, n. 4.

No. 270

Mr. Paton (Vladivostok)¹ to Earl Curzon (Received April 29, 4.45 p.m.)
No. 55 Telegraphic [N 5162/2865/57]

VLADIVOSTOK, April 28, 1921, 9.20 p.m.

Your telegram No. 40.²

Before expressing any decided opinion regarding Government of Far

¹ Mr. Paton had been appointed H.M. Consul at Vladivostok on April 1, 1921.

² No. 266.

Eastern Republic, it would be necessary to investigate conditions in Trans-Baikal and Amur provinces in order to ascertain whether programme outlined in declaration is being carried into effect. Reports received are conflicting.

Main problems of Chita Government are firstly, presence of Japanese troops, and secondly, serious financial and economic situation.

(? Northern) Saghalien and Amur estuary are in Japanese occupation. In South Maritime Province Vladivostok administration exercises quite an independent rôle owing to certain agreements with Japanese command signed after events of April 4th-5th last year.³ Japanese have indicated that pending conclusion of an agreement with Chita they will be compelled, in event of Vladivostok district assembly being dissolved and district placed directly under Chita, to 'consider their position'.

In the circumstances control of Chita over territory claimed by republic is restricted.

Moreover in South Maritime Province there is still substantial force of Kappel⁴ and Semenov troops⁵ who may give trouble.

Chita Government realize that Japanese cannot be expelled by force but believe recognition by America and Britain would be followed by Japanese evacuation of Maritime Province at least. They also claim that Japan finds it profitable to prolong state of unrest in Eastern Siberia and instance occupation of Saghalien and (? seizure of) fisheries on Pacific.

Financial situation can only be remedied by loan and this republic hope to secure from America and Britain. Total population is small, about 2½ million, and under old régime Eastern Siberia was largely subsidized from Petrograd. Some temporary assistance has, no doubt, been received from Moscow but practically republic is dependent on its own resources. Territory is rich in timber and probably minerals, but it will take some years before these can become sufficiently revenue-producing to make Government financially independent. Timber and other concessions in hitherto prohibited areas are now being granted.

Summing up, I think it would be advisable to investigate on the spot conditions in Trans-Baikal and Amur and attitude of these districts towards Chita Government.

Repeated to Tokio and Peking.

³ Disturbances which had resulted in the Japanese occupation of parts of Siberia; see Nos. 7-9, and 21.

⁴ Gen. Kappel, a White Russian commander under Admiral Kolchak, had died in 1920.

⁵ See Nos. 7, 17, and 85.

No. 271

Mr. Paton (Vladivostok) to Earl Curzon (Received May 1, 9.20 p.m.)

No. 56 Telegraphic [N 5193/134/57]

VLADIVOSTOK, April 29, 1921, 2.20 p.m.

My telegram No. 48.¹

Vice Minister for Foreign Affairs of Far Eastern Republic has handed me address to British Government and people from Constituent Assembly at Chita dated April 18th.

After drawing the attention of the Allies to assurances given when troops were landed on Russian soil it states that though the objects of intervention have been achieved Japanese troops still remain. Japan has seized Saghalien and Pacific coast fisheries and is continually bringing forward fresh pretexts for interfering in Russian internal affairs.

Replies are asked to following questions.

1. Does British Government consider its declaration of August 1918 is still in force.

2. Does British Government consider objects outlined at commencement of intervention have been achieved.

3. If so why does British Government not make a declaration that intervention has ceased. What explanation can be given for presence of Japanese forces and tacit acquiescence of British Government in actions of Japanese Government in Russian Far East.

4. If objects have not been achieved can British Government make declaration to this effect as in August 1918.

Similar address has been handed to French Consul. (Translation by post also sent to Tokio and Peking.)²

¹ Of April 4, not printed; see No. 260, n. 1.

² Under cover of his despatch No. 1302 of May 10 (not printed) Lord Curzon transmitted to Lord Hardinge a copy of the foregoing telegram and requested him 'to make enquiries as to the views of the French Government . . . , informing them that His Majesty's Government are disposed to instruct His Majesty's Consul at Vladivostok not to return any reply to this communication'. In their reply of May 26 (transmitted to the Foreign Office by Lord Hardinge in his despatch No. 1572 of May 28, not printed), the French Government stated that they had not received the address, but that the French representative at Vladivostok would be instructed to act in conjunction with his English colleague. In Lord Curzon's despatch No. 25 of June 8 (not printed) Mr. Paton was instructed to 'return no reply to this communication', but, if pressed, to state that 'the Address has been forwarded to H.M.G.'

No. 272

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 1, 11.35 a.m.)

No. 156 Telegraphic [N 5274/2865/57]

TOKYO, April 29, 1921 [7 p.m.]

Your telegram No. 88.¹

Japanese Government have hitherto refused the overtures of the Far

¹ No. 266.

Eastern Republic and do not wish other Powers to recognize it in any way. They made enquiries of the United States Embassy about the Mission mentioned in my telegram No. 153² and were not very well satisfied with the explanations given. At the same time they seem to contemplate the possibility of better relations in the future. Director of Siberian affairs told me that they had still some hope that the communistic³ element at Chita might be kept in check and mentioned that the Far Eastern representative was ready to offer timber and mining concessions to foreigners. He seemed to think that the Japanese would take advantage of the offer.

I do not think the present government have any definite or united policy about Siberia. There is certainly a strong (? movement) (? in favour of) withdrawal and probably (? civil⁴) Ministers are willing to withdraw troops from all parts except North Sakhalin and Nicolaieffsk but are prevented by the military party. Ministry for Foreign Affairs are clearly anxious to leave everything as it is for the present and make no change either in the status of Chita Government or in the management of the railway.

United States Chargé d'Affaires promised to let me know what the American Mission report as to the condition of Chita. I should prefer to await this information before submitting further views.

² Of April 27, not printed. This reported that the Assistant Military Attaché and the Commercial Attaché at the U.S. Embassy at Tokyo had left for Chita *via* Vladivostok.

³ In the text as sent this word read 'Communist'.

⁴ In the text as sent this word read 'civilian'.

No. 273

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 2)

*No. 157 Telegraphic [F 1622/45/10]**

Confidential

TOKYO, April [29], 1921 [7 p.m.]

Peking telegram No. 183¹ and your various telegrams about Chinese Eastern Railway.²

There is little chance of Japanese Government accepting American proposal, even apart from their dislike of Mr. Stevens. As indicated in my immediately preceding telegram,³ Government, being weak and undecided, is averse to any change which might compel it to assume a decided attitude.

Director of Siberian affairs informed me recently that they desire to keep two committees; that they do not believe railway can be run at a profit, and that they are considering whether they shall contribute further funds for its maintenance.

These views were apparently result of a conference with Japanese representative on Technical Board, who has been in Tokyo.

¹ No. 269.

² e.g. Nos. 238, 239, and 258.

³ No. 272.

No. 274

Sir B. Alston (Peking) to Earl Curzon (Received May 2, 11 a.m.)

No. 187 Telegraphic [N 5240/2865/57]

PEKING, April 30, 1921, 4.30 p.m.

Your telegram No. 157.¹

I still have the impression which is shared by His Majesty's Consul-General at Harbin that Far East Republic has no solid foundation and is merely a link with Moscow through which relations between Soviet Government and China may be established. There are indications that its present Government is unlikely to last. On the other hand I hear that Yourin has made progress in his negotiations. He has offered to give up Russian right of navigation on Sungari and to make other concessions but unless he obtains some amelioration in position of 300,000 Russians in Chinese Eastern Railway [Zone]² any agreement he makes will be resented by large section of Russians and is unlikely to be permanent.

Repeated to Tokio and Vladivostok.

¹ No. 266.

² This word was in the text received at Tokyo.

No. 275

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 2)

No. 216 [F 2054/143/10]

TOKYO, May 3, 1921

My Lord,

I have the honour to transmit, herewith, copy of a despatch which I have received from His Majesty's Consul at Dairen,¹ containing his observations, furnished at my request, on the report of His Majesty's Consul-General at Mukden, enclosed in his despatch to Sir Beilby Alston, No. 81 of March² 30 last, with regard to Japanese activities in Manchuria.

Mr. Cunningham again urges the view previously expressed in his report on the same subject which I forwarded with my despatch No. 19 of January 21 last,³ that it is extremely difficult, if not impossible, to cite any concrete instances of the employment by the Japanese of illegitimate methods to circumvent the policy of equal opportunity in Manchuria. They have undoubtedly made the best of the natural advantages conferred upon them by their predominant political position in Manchuria but, as Mr. Cunningham points out, their success in competition with the foreigner is rather to be attributed to their clannish methods of doing business than to any deliberate policy of discrimination in favour of their own people.

¹ Of April 8, not printed.

² In the draft this word read 'Nov.' Cf. No. 195, n. 10.

³ See No. 198, n. 3.

I also transmit copy of Mr. Cunningham's despatch No. 33 of the 16th ultimo, forwarding a memorandum on the reduced freight rates on the South Manchuria Railway Company's lines.⁴
(Copy to Peking.)

I have, &c.,
C. ELIOT

⁴ Not printed.

No. 276

Earl Curzon to Sir A. Geddes (Washington)

*No. 273 Telegraphic [F 1580/45/10]**

FOREIGN OFFICE, May 10, 1921, 6 p.m.

Your telegram No. 270.¹

Observations of both Sir C. Eliot and Sir B. Alston on American proposals are now in your possession (see Tokyo telegram No. 158 [157]² and Peking telegram No. 183).³

Path is beset with peculiar difficulty, and opposition of both China and Japan must be reckoned with. Moreover, according to Sir C. Eliot's information, Japanese Foreign Office favour retention of both Allied Railway Committee at Vladivostok and Allied Technical Board at Harbin. In view of all this it might be wiser to avoid raising awkward issues at this juncture with both China and Japan. Consent of both certainly seems necessary prerequisite to successful introduction of any new system, and it is at least doubtful whether this would be forthcoming.

In the circumstances we consider that before proceeding further American Government would be well advised to consider first sounding various Governments interested, especially China and Japan. So far, however, as His Majesty's Government are concerned, they are quite prepared to fall in, in general principle, with the American proposals if other Powers agree, subject to subsequent discussion of actual matters of detail. In short, we would welcome introduction of their scheme if it could be brought into force, but are inclined to doubt whether, practically speaking, it can be in existing circumstances.⁴

We have discussed matter with American Embassy and made our point of view clear to them.

(Repeated to Peking for repetition to Tokyo, and Peking, No. 171; copy to Paris.)

¹ Of April 28, not printed.

² No. 273.

³ No. 269.

⁴ For the consequent note from H.M. Chargé d'Affaires at Washington to the Secretary of State, see *F.R.U.S. 1921*, vol. i, pp. 580-1. A General Staff memorandum on the 'Administration, Ownership and Future of the Chinese Eastern Railway', dated June 30 and received in the Foreign Office in July, was described by Mr. Lampson in a minute of July 22 as representing 'practically our own views, which were put to the U.S. Govt. in our telegram No. 273 of May 10 to Washington'.

CHAPTER IV

Correspondence, &c., concerning the suggested temporary prolongation of the Anglo-Japanese Alliance and other topics, May 11–July 2, 1921

No. 277

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 267 [F 1797/63/23]**

FOREIGN OFFICE, *May 11, 1921*

Sir,

I asked the Japanese Ambassador to find an interval in the ceremonies connected with the reception of the Crown Prince of Japan¹ to come to the Foreign Office to have a few words with me on two important subjects.

The first of these arose out of the position of the Anglo-Japanese Alliance. This, I reminded him, comes to an end in July of the present year. In the meantime, the Dominion Ministers, with whom the matter was to be discussed, would be assembling in England for the purpose in June. As it was in the highest degree unlikely that a decision could be arrived at within so short a time, it seemed to be manifestly important in the interests of all parties that the Alliance should be temporarily prolonged. The Colonial Office had telegraphed to the Dominions, intimating to them that it was our intention to ask the Japanese Government to agree to a prolongation of three months,² and this was the suggestion that I now had to make his Excellency, and to which I hoped that he would secure the assent of his Government.

Baron Hayashi had no doubt that this was the best method of meeting the situation, and he undertook to communicate the suggestion at once to Tokyo, where he had little doubt that it would meet with a favourable reception.

He asked me whether I thought that a further communication from his Government was necessary to the League of Nations.

I answered in the negative, because, as I said, that body was not concerned with the actual date on which the Alliance might or might not be renewed, but only with the form that, in the latter case, it should assume, and which must be in conformity with the Covenant of the League.

The second point, upon which I desired to offer a few words of friendly and unofficial counsel to his Excellency, was in respect of the question of the island of Yap. He must be aware, I said, of the great importance that was attached

¹ Cf. No. 235, n. 1.

² Cf. No. 261, n. 13.

to this in America, and of the irritation which it had apparently aroused. As to the merits of the question itself, there was no doubt that technically Japan stood on very strong ground, as having received and accepted a unanimous mandate for the island of Yap; but, on the other hand, to anyone who had studied the earlier proceedings of the Conference²—as I had done—the reservations by America were equally explicit and undeniable, and it might very well be argued that the failure of President Wilson to enforce them at the final stage was due, not so much to forgetfulness, as to the assumption on his part that they had been universally admitted.

In these circumstances, the case was one, not for fighting, but for conciliation. Now that the American Government had accepted the invitation of the Allied Conference to be again represented on the Supreme Council and other bodies,³ it was quite clear that the question must be reopened, and that at the next meeting the American representative would insist upon its revival.

In these circumstances, I ventured to suggest that the Japanese Government should go slowly in the interim, and should consider carefully what line they should adopt when the Conference assembled.

On the former point I had read somewhere with some dismay that they proposed to set up a civil Government in the island without delay. I could not help thinking that this would be a very unwise procedure, and that any such evidence of sovereignty should be held in suspense.

As regards the position of the larger issue, various proposals have been made. The Americans, I believed, were likely to press for the internationalisation of the island. In other quarters I had seen the suggestion that the working of the cables, or some of them, might be handed over to America. Other proposals might also be made. It was not for me to offer an opinion upon any of these; I only prayed that the Japanese Government would consider them very carefully in the interval before the case was reopened.

Baron Hayashi said that he would telegraph at once to his Government my deprecation of the exercise of any executive authority in the island, and he hoped that my advice would be taken.

On the other point, he had himself all along favoured, not the surrender of the mandate, but an arrangement by which the cables at Yap and Guam should be handed over to the unimpeded control of the Americans for the despatch of their messages at certain times or hours of the day; and he thought that it ought to be quite possible to come to an arrangement on these lines.

I expressed some little doubt as to whether this would altogether satisfy the American Government, but I again urged that the various possible avenues of compromise should be diligently explored.

The Ambassador fully admitted the undesirability of creating an international issue out of an affair such as this. He did not pretend that the possession of the island of Yap was necessary either for the security or for

² Cf. No. 234.

³ For this invitation and its acceptance, see Vol. XV, No. 82, Appendix I and No. 91, p. 611; see also *F.R.U.S.* 1921, vol. i, pp. 12-14.

the interests of Japan, and, if he correctly reflected the views of his Government, some reasonable compromise ought not to be found difficult.

I am, &c.

CURZON OF KEDLESTON

No. 278

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 18, 12.15 p.m.)

No. 169 Telegraphic [F 1913/1825/23]

TOKYO, May [12] 1921 [6 p.m.]

My telegram No. 162.¹

Information from good sources confirms the idea that this conference will consider withdrawal of troops from Siberia and especially conditions on which it can be effected.² Recently the Press has contained copious discussions of the question, perhaps with the intention of preparing the public. The Director of the Siberian Department told me the other day that the Chita Government shows signs of improving and of admitting non-communists into the ministry. He seemed to hint that an agreement with them might be possible in the future.

It is not likely that the retirement of the present Japanese Minister of War would have a decisive effect on this or any other important department of military policy, for his successor will probably be an official of the War Office holding much the same views.

It is reported that Semenoff is restless but not encouraged by the Japanese. He has addressed a letter to Minister for Foreign Affairs and Embassies here complaining of treatment of Russians in China but it is not likely that anyone will send reply.

¹ Of May 10, not printed. This had reported that a 'conference of important Japanese officials including the Minister at Peking, Governors of Korea, Dairen territory and Tsingtao, Commandant at Vladivostok and Consul General at Mukden' would open at the Ministry of Foreign Affairs on May 15 and indicated the probable subjects for discussion.

² The remainder of the filed copy of this telegram, except for the last sentence, had several corrupt passages, therefore the text as sent (F.O. 262, Japan Political, vol. 1529) has here been substituted.

No. 279

Earl Curzon to Sir C. Eliot (Tokyo)

No. 104 Telegraphic [F 1797/63/23]

Very confidential

FOREIGN OFFICE, May 13, 1921, 9 p.m.

Anglo-Japanese Alliance.

It has been explained to Japanese Ambassador that as Imperial Conference does not take place until June it is extremely unlikely that decision in regard to renewal of alliance could be taken before expiry in July and His Excellency

has been asked to obtain assent of his Government to a prolongation of three months.¹

If Japanese Government agree in principle it will be necessary to insert proviso to the effect that if anything should arise during the period of prolongation which under the alliance might involve action inconsistent with the procedure laid down in the covenant of the League of Nations the principles and procedure of the latter should prevail over those of the agreement and should be adopted.

Please repeat to Peking.

Repeated to Washington No. 289 (for information only).

¹ See No. 277.

No. 280

Sir B. Alston (Peking) to Earl Curzon (Received May 20, 11.55 a.m.)

No. 201 Telegraphic [F 1900/63/23]

PEKING, May 17, 1921, 5.10 p.m.

My despatch No. 379 of May 26th last year. Anglo-Japanese Alliance.¹

Chinese Government recently published note enclosed in despatch above-mentioned. They have now addressed to me a further note in view of approaching meeting of Imperial Conference, repeating that if the Alliance is extended and if in terms of treaty reference is made to China, China should first be consulted as otherwise violence would be done to China's sentiments.

Minister for Foreign Affairs begs me solemnly to bring above again to Your Lordship's attention.

Repeated to Tokyo.

¹ Not printed. It transmitted a copy of a translation of a memorandum received on May 20, 1920, from the Chinese Government, the substance of which was transmitted in No. 35 above.

No. 281

Sir B. Alston (Peking) to Earl Curzon (Received May 21, 11.45 a.m.)

No. 204 Telegraphic [F 1912/59/10]

Secret

PEKING, May 20, 1921, 9.30 p.m.

My telegram No. 202.¹

At weekly reception on May 18th Minister for Foreign Affairs enquired whether I had any recent news about Tibet.

Having heard that morning that despatches had arrived from King Nos. 32, 33 and 34, showing that Tibetans had been aggressors in recent violation

¹ Of May 17, not printed.

of frontier² (see my telegram No. 186)³ but not having yet read them I replied that I had not seen any . . .⁴

Minister for Foreign Affairs said that Chinese Government had heard again from frontier commissioner at Tachienlu about Tibetan encroachment. I commented that until question was settled these frontier disturbances were bound to occur and that present discussions showed how important it was to settle it now once for all on basis of Simla convention and Wai-chiao-Pu's own proposals of 1919.⁵ It should surely not be beyond his Excellency's and my powers with goodwill on both sides to devise an amicable solution of this only outstanding question of importance between our two governments which ought to have been wiped off the slate long ago. Minister for Foreign Affairs said definitely that it was impossible to settle matter now. In a short time Parliament would meet and there would be great agitation over any arrangement which gave to Tibet any of districts which were now to be represented in Parliament; there would be difficulty over settling Kokonor question on basis proposed by us;⁶ and finally in consequence of political conditions Chinese Government had very little information from marches.

I suggested that matter should be settled before Parliament met. I thought its meeting was much more remote than indicated by his Excellency and then Parliament could be presented with a *fait accompli*. Minister for Foreign Affairs maintained that it was impossible to effect a settlement now.

At close of conversation Minister for Foreign Affairs referred again to Anglo-Japanese alliance and said that it seemed a foregone conclusion. I replied that I did not believe that any decision had been reached. His Excellency said he presumed I had forwarded (? written) protest of Chinese Government referred to in my telegram No. 202.⁷

Minister for Foreign Affairs while outwardly friendly is not at all reliable and I must warn your Lordship that it will be difficult to bring him to point. If it is decided to broach Tibetan question on lines proposed in my telegram above referred to⁸ I would suggest that Your Lordship should first speak to Chinese Minister in London.

Repeated to India.

² These despatches have not been traced in Foreign Office archives.

³ Of April 30, not printed. This had transmitted a telegram of April 24 from Mr. King, stating that, in spite of the professions of the Tibetan Government, the Chinese frontier had been violated by Tibetan troops.

⁴ The text is here uncertain.

⁵ For this convention of July 3, 1914, and the Chinese proposals of May 1919, see Vol. VI, No. 420, n. 4 and No. 453, n. 2.

⁶ For H.M.G.'s proposal, see Vol. VI, No. 453.

⁷ This should probably have read '201', i.e. No. 280 above.

⁸ See n. 1. The proposals were (i) to make a final attempt to negotiate a settlement with the Chinese Government and (ii), if this failed, to reorganize Tibet's autonomy and allow her to import arms, &c.

No. 282

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 21, 11.15 a.m.)

No. 179 Telegraphic [F 1914/1825/23]

TOKYO, May 20, 1921

My telegram No. 169.¹

Japanese press devotes much space to deliberations of Conference. Minister for Foreign Affairs informs me that its importance is exaggerated but admitted that it has been occupied with three questions, viz. what can be done to restrain activities of disaffected Koreans outside Japanese territory, on what conditions can Japanese troops be withdrawn from district of Vladivostock, and what proposals can be made to China about Shantung. As to this last point he said emphatically that press reports are wrong and that it is merely contemplated to inform Chinese again that Japanese Government is ready to negotiate and to withdraw its troops from railway provided that Chinese will police region effectively.

Chinese Minister's information agrees with above.

¹ No. 278.

No. 283

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 26, 3.59 p.m.)

No. 180 Telegraphic [F 1969/63/23]

TOKYO, May [20], 1921

Your telegram No. 104 very confidential.¹

Minister for Foreign Affairs informs me that he has received a telegram from Baron Hayashi on same subject² but that it was corrupt and obscure. He was sure that Japanese Government would assent to a prolongation for three months if His Majesty's Government thought it necessary, but he could not understand proviso. I explained it to him and he said he had been under the impression that if neither government took any steps alliance would continue in force in virtue of article 6. I replied that communication made to League of Nations in June [July] last modified this article. It stated first that agreement in its present form is inconsistent with covenant and secondly that it can be renewed only if it is made consistent with covenant.³ From this it seems to follow that it lapses if not expressly renewed. This was merely my personal view but Your Lordship's proposal seemed to imply that you shared it. Minister for Foreign Affairs said that Cabinet would carefully consider proposed proviso and asked whether a second communication would be made to League. I said your instructions merely indicated that

¹ No. 279.

² i.e. the proposed prolongation of the Anglo-Japanese Alliance.

³ For this communication, see Nos. 45, 51, 55, and 65.

proposal in its present stage was strictly confidential but that if our two Governments agreed on a formula I imagined that a second communication was contemplated.⁴

⁴ Lord Curzon minuted: 'When in July 1920 we wrote to the L. of N. about continuing the agreement after July 1921 I have always understood us to refer to a possible renewal of the agreement. What is now proposed is a temporary prolongation for sake of convenience. 'However I defer to the lawyers who prefer exactitude to expediency. C 31/5.'

No. 284

Sir C. Eliot (Tokyo) to Earl Curzon (Received May 29, 2 p.m.)

*No. 187 Telegraphic [F 1986/1825/23]**

Confidential

TOKYO, May 23, 1921

My telegram No. 179.¹

Vice-Minister for Foreign Affairs, who is much more communicative than his chief, gave me the following information:

1. With regard to Shantung, he repeated the statements reported in my telegram referred to above, and added that Japanese had a right to claim at Tsingtao a Japanese concession in addition to an international concession. They were willing, however, to let Japanese concessions² be the subject of negotiations.

2. They were anxious to establish some sort of police supervision on both sides of Korean border in order to prevent malcontents from establishing bases just outside Japanese territory.

3. Present temper of Japanese public makes withdrawal of troops from Vladivostok merely a question of time, and it is desirable to obtain as soon as possible from the Far East Republic, or even Moscow, guarantees which will render withdrawal possible.

I should add, other information derived from military attaché³ indicates that they may find it very difficult to obtain guarantees in view of the number of concessions and other Japanese interests which they wish to protect.

4. Speaking about Yap, he said that they held strongly that provisions of Treaty of Versailles ought to be maintained, but their interests in the island were mainly territorial, and they were willing to negotiate about cables in most conciliatory spirit.

¹ No. 282.

² The text as sent read 'concession'.

³ The text as sent read: 'Russian Embassy'.

No. 285

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 27)

No. 251 [F 2335/3/10]

TOKYO, May 24, 1921

My Lord,

I have the honour to report that on the receipt of Your Lordship's despatch No. 100 of the 14th February,¹ I did not fail to acquaint the Minister for Foreign Affairs of the nature of the reports that have reached Your Lordship respecting the actions of Japanese troops operating in Chientao last year.

As Your Lordship is aware, the behaviour of the Japanese in Chientao has been the subject of frequent interviews between Count Uchida and myself, and His Excellency is by now well acquainted with the views of His Majesty's Government on this matter. He was able on this occasion to inform me that the last of the Japanese soldiers were now being removed from Chientao, and to quote the recent speech, referred to in my telegram No. 151 of the 26th April,² of the Governor-General of Korea, in which Baron Saito requested his subordinate officials to cultivate more cordial relations with missionaries.³

I have, &c.

C. ELIOT

¹ No. 233.

² Not printed.

³ In his telegram No. 242 of June 25 (not printed) Sir C. Eliot said that a report (dated June 7, not printed) by Mr. Cunningham, H.M. Acting Consul at Dairen, stated that the lives and property of British missionaries in Chientao were in no danger and that no special measures of protection were necessary.

No. 286

Sir B. Alston (Peking) to Earl Curzon (Received May 26, 3.45 p.m.)

No. 211 Telegraphic [N 6130/2865/57]

PEKING, May 25, 1921, 9.20 p.m.

Your telegram No. 157.¹

At an interview yesterday with Minister for Foreign Affairs I mentioned reports in press that Yourin who has recently left Peking is to become Minister for Foreign Affairs at Chita and that present Vice Minister for Foreign Affairs Skvirski will succeed him here. Minister for Foreign Affairs replied that he knew nothing of this save what had appeared in the press. The forty² articles of draft treaty between China and Far East Republic were now being scrutinized by different Ministries; he himself was favourably impressed with document and did not doubt that ultimately treaty on lines of present draft would be signed. Minister for Foreign Affairs said that draft contained

¹ No. 266.

² This word read 'conditional' in the text received at Tokyo.

little on the subject of Chinese Eastern Railway. Yourin had mentioned to him opinion that Far East Republic might be reasonably considered heirs of former Russian Government in the matter and had expressed view that Moscow would agree to any arrangement made between China and Chita.

As regards effect on Chinese Government of establishment of more normal relations with Far East Republic I am inclined to think such action may be not unexpected by China in view of Krassin agreement³ and would be welcomed by her as placing us in line with China in this matter and not with Japan. As regards advisability in British interest of establishing relations I am without sufficient information as to solidarity of Chita Government to justify me in expressing views.

Repeated to Tokio and Vladivostok.

³ The reference is to the Anglo-Soviet Trade Agreement of March 16, 1921; see Vol. XII, No. 845. M. Leonid Krassin was Soviet Russian People's Commissar for Transport and Foreign Trade, and Chairman of the Soviet Russian Trade Delegation appointed to discuss the resumption of Anglo-Russian trade relations.

No. 287

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 298 [F 1978/301/23]**

FOREIGN OFFICE, May 26, 1921

Sir,

The Japanese Ambassador called upon me yesterday afternoon and commenced his conversation by tendering to me the sincere thanks of his Government for all the arrangements that had been made in London and elsewhere in the United Kingdom for the reception and entertainment of the Crown Prince of Japan.¹ These had, he said, been attended with uniform and conspicuous success. The Crown Prince had enjoyed every phase and incident of a visit that was now drawing to a close; and the success of the tour had not been marred by a single cloud.

In acknowledging the compliment I was able to say with truth that the visit had been equally pleasant and agreeable to ourselves, since the young Prince had left everywhere and upon everybody the same impression of intelligence, amiability, dignity of demeanour and anxiety to please. I felt that the visit could not but have the happiest results.

Baron Hayashi then spoke to me about the question of the island of Yap, concerning which his Government desired to thank me warmly for the advice which I had given to him on a previous occasion.² Acting upon this advice, and realising the importance of an amicable solution, the Japanese Government were about to approach the American Government with a definite proposal, concerning the management of the telegraphs, which he hoped would prove acceptable. At the same time, they did not propose to discuss

¹ See No. 235, n. 1.

² See No. 277.

the question of the mandate, concerning which they held unalterably to the position that the mandate had been correctly and formally given to them, was theirs, and could not be surrendered. Did I approve of this course of procedure?

I had no hesitation in replying that if the Japanese could satisfy the American Government on the question of the cables, without raising the larger issue, no one would be better pleased than myself. On the other hand, if the American Government declined to accept this solution, and insisted on reviving the question of the mandate, no one could stop them from doing so, and the matter would then have to be brought up again at a meeting of the Supreme Council. I hoped that the necessity for this would not arise, since the proposal to rescind a decision already arrived at was usually attended with some risk.

I ended by asking the Ambassador when I might expect his reply about the suggested prolongation of the Anglo-Japanese Alliance for three months, pending discussion by His Majesty's Government with the Dominion Premiers.

He replied that his Government appeared to entertain some anxiety lest, if such a temporary renewal took place, the terms of the agreement might have to be modified in order to conform to the Covenant of the League of Nations.

I said that in my opinion any such anxiety was superfluous. Modification of the kind referred to would only apply to the case of a new agreement, if concluded; and a continuance of the old agreement need involve no alteration whatsoever. In fact, the League of Nations had at this stage nothing to do with it.

The Ambassador, encouraged by this assurance, hoped to give me an early and favourable reply.

I am, &c.

CURZON OF KEDLESTON

No. 288

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 2, 1 p.m.)

No. 191 Telegraphic [F 2034/63/23]

Very confidential

TOKYO, May 27, 1921 [7.20 p.m.]

Japanese Minister for Foreign Affairs informs me that proposal contained in your telegram No. 104¹ will be submitted to diplomatic council on May 28th. He had no doubt that for all practical purposes decision would be acceptable to His Majesty's Government. He remained personally of opinion that alliance would continue in force if no steps were taken, but thought it quite correct to make formal extension of period within which modifications can be made since we have given League of Nations to understand that this period expires on July 13th.

¹ No. 279.

He alluded to numerous recent speeches and articles declaring that the alliance can be renewed only on the condition that it does not offend America. He said that he would like to know what (? modifications are) considered necessary to secure this result. He thought it quite natural that Great Britain should consult United States on this matter but did not seem to contemplate idea of (? Japan) taking any share in (? such) (discussion)s or of mentioning the matter separately to United States.²

² In a minute dated June 10 the Legal Adviser to the Foreign Office, Sir Cecil Hurst, said that the only legal point appeared to be 'whether the joint notice, communicated on July 8th, 1920, to the League of Nations by the Governments of Great Britain and Japan, constituted a notification within the meaning of Article 6 of the Anglo-Japanese Alliance of the intention to terminate that Agreement'. He did not see 'why a joint notification by the two parties together to a third party should not equally operate as a notice from each of the two to the other. In form therefore, the notice of July 8th' appeared to him to be sufficient. He also thought that the Department should stand by the opinion given on July 15, 1920, to the effect 'that the notification provided the notice required in Article 6'.

On this Lord Curzon commented as follows: 'I am not a lawyer. But I am greatly astonished to learn that the joint communication to the L. of N. constituted a denunciation.* Supposing it is decided to open negotiations with the Pacific Powers for a general agreement and in the interval to continue the present agreement (modified only so as to conform to L. of N. principles) for a year—am I to be told that this is impossible? Surely not. C 14/6.'

*'In other words I agree with the Japs.'

No. 289

Sir A. Geddes (Washington) to Earl Curzon (Received May 28, 12.15 p.m.)

*No. 364 Telegraphic [F 1982/45/10]**

Very urgent

WASHINGTON, May 27, 1921

Secretary of State to-day informed me that he has information from what he regards as an entirely reliable source to the effect that Japan intends to seize Eastern Siberia, and after driving out the Chinese now guarding Chinese Eastern Railway, to take forcible possession of that line also. According to wire which Mr. Hughes has in his possession, Japanese movement against railway is to begin on 29th May. Mr. Hughes is very anxious that His Majesty's Government will take action to persuade Japanese Government to desist from attempting to carry out their projects, and is also very anxious that he should not be quoted as source of information. He is seeing Japanese Ambassador and telling him that he has heard these rumours, that he cannot bring himself to credit them, and that he hopes that Japanese Government will by its conduct display to the whole world their baselessness.¹

It is hard to judge how far the United States Government could go with the support of American public opinion in an effort to bring pressure to bear on Japan to make her refrain from carrying out her alleged intentions, but present indications are that though they would be very angry with Japan, they would

¹ Lord Curzon commented: 'I don't believe it for a moment. C 30/5.'

have to confine themselves to threats and heavy bluffing. I believe this opinion to be approximately that held by Japanese Ambassador.

Secretary of State is, however, much excited by the information which he has received, and is in a mood in which the use of provocative language by Japan might lead him to take action which would precipitate a serious American-Japanese situation, and if that were to happen . . .² of United States might get support for a policy far in advance of that which the balance of public opinion favours.

² The text is here uncertain.

No. 290

Sir B. Alston (Peking) to Earl Curzon (Received May 30, 2.30 p.m.)

No. 217 Telegraphic [F 1996/45/10]

PEKING, May 28, 1921, 8.50 p.m.

Latest reports from General Beckett show that on the one hand Chinese are systematically endeavouring to extend their control of railway and to utilize its funds for political purposes¹ while on the other hand American acting president of Technical Board under directions from Stevens who is expected back in a month's time is strongly asserting authority of Board especially in financial matters and is encouraging Russian Director-General to defy Board of Directors which virtually means the Chinese.²

As Chinese show signs of impatience of Technical Board's control one must be prepared for a possible crisis. General Beckett has my instructions to avoid playing a leading part in any conflict.

Repeated to Tokio and Harbin.

¹ Cf. *F.R.U.S.* 1921, vol. i, pp. 580 and 584.

² Col. Johnson was acting as President of the Technical Board in the absence of Mr. Stevens, who had returned to the U.S.A. in Nov. 1920 for consultations concerning the proposed reorganization of the Chinese Eastern Railway.

No. 291

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 1, 4.45 p.m.)

No. 198 Telegraphic [F 2025/63/23]

Urgent. Very confidential

TOKYO, May 31, 1921

My telegram No. 191.¹

Minister for Foreign Affairs states that in opinion of Japanese Government the joint communication made to League of Nations in June [July] last year² does not mean that alliance will automatically come to an end on July 13th

¹ No. 288.

² See No. 65.

next unless previously renewed. They consider it can be terminated only in manner prescribed by Article 6. If nothing is done before July 13th the two contracting powers will have put themselves in the wrong so far as League of Nations is concerned, but it does not follow that alliance will lapse in its entirety because it is imperfect in form.

I replied as before that I had no precise instructions on this point, but that the language of Your Lordship's communications seemed to imply that His Majesty's Government held that alliance lapsed on July 13th next unless previously renewed. Minister for Foreign Affairs earnestly begged me to obtain expression of your views as soon as possible. He said again that he could not understand telegram which he had received from Japanese Ambassador in London.

He fully recognized possibility that Imperial Conference might decide against renewing alliance, but he thought in that case His Majesty's Government must terminate it as prescribed in Article 6.

He went on to say that Japanese Government were anxious to meet views of His Majesty's Government as far as possible, and thought another communication ought to be made to League of Nations. But, holding opinion above mentioned, they wish to prolong not the alliance itself but period within which it can be modified so as to become acceptable to the League. They would prefer to describe time limit as 'a reasonable period,' but agree to three months if His Majesty's Government prefer it. Also they are prepared to accept proviso contained in second paragraph of your telegram No. 104³ if His Majesty's Government so desire, but they think it unnecessary because it merely reiterates a principle (? which was) (? recognised) as soon as covenant of League of Nations took effect.

³ No. 279.

No. 292

Sir B. Alston (Peking) to Earl Curzon (Received June 8, 12.45 p.m.)

No. 222 Telegraphic [F 2124/63/23]

Secret

PEKING, June 3, 1921, 7 p.m.

My telegram No. 215.¹

Opposition to renewal of Anglo-Japanese alliance is growing in this country. Both Chinese Government and this Legation have received protests from provincial organisations against any reference to China being made in a renewed² treaty without China first being consulted, and there is already talk of a boycott if this protest is ignored. There are indications that United States Legation are not unconnected with this agitation. American-controlled press have been decrying renewal in violent language. United States Legation profess to regard renewal with greatest suspicion as being totally unnecessary unless it be to support Japanese pretensions. (? One) leading

¹ Of May 27, not printed.

² In the text received at Tokyo this word read 'new'.

British newspaper in North China, which has wide circulation among Chinese . . .³ no less strongly against renewal and suggests as an alternative that a practical realisation of integrity of China⁴ 'open door' policy might better be secured by a conference between British, American, French, Chinese, and Japanese representatives, resulting in a (? legitimately) interested (? group) for preservation⁵ of peace in the Far East.

Repeated to Tokio.

³ The text is here uncertain. The text received at Tokyo read 'writes'.

⁴ The text received at Tokyo read: 'of China and'.

⁵ The text received at Tokyo read: 'resulting in a League of Nations interested in the Pacific for preservation'.

No. 293

Earl Curzon to Sir B. Alston (Peking)

No. 183 Telegraphic [F 1996/45/10]

FOREIGN OFFICE, *June 6, 1921, 10 p.m.*

Your telegram No. 217.¹

Your instructions to General Beckett are approved. We should have no objection to the Chinese extending a legitimate control over the railway but we should not favour their using the railway funds for political purposes. On the other hand it ought to be possible for the Technical Board to prevent this abuse without a conflict with the Chinese. There is of course a danger that such a conflict might assist the Japanese in their plans. Repeat to Tokio. Repeated to Washington No. 334.

¹ No. 290.

No. 294

Sir A. Geddes (Washington) to Earl Curzon (Received June 7, 10.50 a.m.)

No. 388 Telegraphic [F 2110/63/23]

WASHINGTON, *June 6, 1921*

Your telegram No. 325.¹

Anti-British propaganda in United States has in the course of the last six months had the effect of increasing popular American suspicion of Anglo-Japanese alliance.

In quarters which should be responsible for it, renewal,² if it be renewed, is characterised as an unfriendly act. It is also quite common to hear of such remarks as this: 'England has to make her choice as to whether America is to be her friend or enemy depending on whether she makes Japan her enemy

¹ Of May 31, not printed. This telegram was addressed to Tokyo as No. 114.

² The text as sent here read: 'responsible its renewal'.

or friend'. This exaggerated talk is in some measure reflected in Cabinet circles: for example, Secretary of State, not to me but with the certainty that his remark would reach me, said that in his view renewal of Anglo-Japanese alliance would be 'disastrous'.

Whole question of alliance is associated in America's mind with her ambition to dominate the Pacific. I have despatched by bag (despatch No. 565) copy of report of an interview given by young Theodore Roosevelt, assistant Secretary of Navy, to 'New York Sun' which was suppressed as being alarmist, but which reflects mind of administration seen through distorting and exaggerating mind of Roosevelt.³

I have also despatched by bag (despatch No. 553) extracts from a speech by Mr. Hoover which accurately embodies the attitude of outraged virtue with which America regards British commercial activities as hampering her legitimate economic development.⁴

Our alliance with Japan appears to her as part of hampering process.

In view of developments⁵ in the situation I desire slightly to modify recommendation I made last year in my telegram No. 769.⁶

I now recommend that instead of a treaty between ourselves and Japan we should endeavour to make a Tripartite Agreement between Britain, Japan and United States with a term of four years scope and limits of agreement to be as indicated in my telegram under reference.

³ This despatch of June 3, and its enclosure, are not printed.

⁴ This despatch of June 3 is not printed. Mr. Hoover, Secretary of Commerce, had delivered the speech referred to before a meeting of the National Association of Manufacturers held in New York on May 18.

⁵ The text as sent here read: 'of these developments'.

⁶ No. 162.

No. 295

Earl Curzon to Sir C. Eliot (Tokyo)

*No. 118 Telegraphic [F 2025/63/23]**

Very confidential

FOREIGN OFFICE, *June 7, 1921, 2.55 p.m.*

Your telegram No. 198.¹

For reasons given in your telegram No. 180,² I am advised that communication to League of Nations of 8th July, 1920,³ must be held to constitute notification required under article 6.

We agree that when prolongation has been effected another joint communication should be made to the League of Nations. Communication, which might consist of text of notes effecting the prolongation or be in form of a joint declaration, should embody proviso which I am advised is necessary in accordance with article 20 of the Covenant, and also in fulfilment of the promise made in previous joint communication.

¹ No. 291.

² No. 283.

³ See No. 65.

It seems to us necessary to define period of prolongation, but you may intimate verbally that if period of three months is found to be too short a further similar prolongation might be desirable. For your own confidential information, your Excellency should know that pending discussion of matter at Imperial Conference, objection to prolongation exceeding three months might be raised by Dominion Governments.

I understand from your telegram that Japanese Government would be willing to adopt course indicated above, and I hope that on receipt of your reply it will be possible to proceed to draft notes prolonging agreement.

No. 296

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 13)

*No. 214 Telegraphic [F 2175/45/10]**

TOKYO, June 8, 1921

As Japanese press gives a detailed account of a loan to Chinese Eastern Railway, I asked Minister for Foreign Affairs if it was true. He said that Japanese Government had nothing to do with any such loan, but that he thought that Russian manager of railway had approached various Japanese banks. I said that I did not think that manager had any right to negotiate loans independently of international committees which control railway, and that these latter, so far as I am aware, had not taken any steps about a loan. Minister for Foreign Affairs admitted that this might be true so far as large loans from Governments were concerned, but said that South Manchurian Railway had advanced coal to Chinese Eastern Railway, which was equivalent to a loan, and that in the same way manager was probably trying to obtain sufficient money to tide over immediate difficulties.

He added that Japanese Government were ready to join other Governments interested in a loan. He thought that perhaps Great Britain and France might not care to join, in which case Japan and United States might divide loan between them.¹

¹ For communication by H.M. Ambassador at Washington of the gist of this telegram to the U.S. Secretary of State on June 21, see *F.R.U.S. 1921*, vol. i, pp. 587-8.

No. 297

Note from Earl Curzon to the Japanese Ambassador

*[F 2025/63/23]**

FOREIGN OFFICE, June 8, 1921

Your Excellency,

In our recent conversation on the subject of the prolongation of the Anglo-Japanese Agreement,¹ I mentioned that I did not think that the proposed

¹ See No. 287.

prolongation for three months would necessitate any modification of the terms of the agreement or any further communication at the present stage to the League of Nations.

2. A point of a somewhat technical character has, however, arisen, and I am advised that as a matter of correct legal procedure it would be necessary, in accordance with article 20 of the covenant of the League of Nations, and in fulfilment of the promise contained in our joint communication to the League last year, that there should be a proviso to the effect that if anything should arise during the period of prolongation which under the alliance might involve action inconsistent with the procedure laid down in the covenant of the League of Nations, the principles and procedure of the latter should prevail over those of the agreement, and should be adopted. From a telegram just received from His Majesty's Ambassador at Tokyo, I understand that your Government, although inclined to doubt whether such a proviso is necessary, would have no objection to its adoption.²

3. I would propose, therefore, that notes should be exchanged effecting the prolongation and containing the above-mentioned proviso, and that a joint notification should then be made to the League of Nations, either by communication to the secretariat of the text of the notes or by making some joint declaration embodying the proviso.

4. Sir C. Eliot has reported that the Japanese Government had not regarded the joint communication made to the League of Nations, dated the 8th July, 1920, as meaning that the agreement would terminate on the 13th July next, unless renewed.³ The Minister for Foreign Affairs has asked Sir C. Eliot to obtain an expression of my views on this point,³ and I am informing his Excellency, in reply, that as the present agreement was admitted in our joint communication of last year to be inconsistent with the covenant of the League, and as it was then stated that if the agreement be continued after July 1921 it must be in a form which is not inconsistent with the covenant, His Majesty's Government are advised that the communication of last year must be held to constitute the notification of the termination of the agreement required under article 6.

I have, &c.

CURZON OF KEDLESTON

² No. 291.

³ See No. 291.

No. 298

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 13, 1 p.m.)

No. 216 Telegraphic [F 2177/63/23]

TOKYO, June 9, 1921, 10.30 a.m.

Your telegram No. 114.¹

I see no reason to modify the views which I have expressed during the last

¹ Of May 31, not printed; see No. 294, n. 1.

year about the renewal of the alliance nor do I think that there has been much real change in the political situation here.

At the beginning of the year the Press and educated public opinion were somewhat lukewarm about the alliance as certain utterances had led them to believe that it would not help against American aggression: later, the reception of the Crown Prince created a markedly cordial feeling for Great Britain and a desire to maintain existing engagements, but the attitude of the Government has not materially altered except that they clearly (? understand that) British opinion is against renewing the alliance in a form objectionable to America. It is difficult to say whether the conference mentioned in my telegram No. 203² and others will really have much influence on high politics but I am inclined to think that on most (? points) it has deliberately recommended a policy which is imagined to be acceptable to both the United States and China especially in Siberia and Shantung. On the other hand there is an undoubted . . . (? change)³ in northern Saghalin and though the Government may be ready to discuss the restoration of Shantung to China, it is probable that Japanese firms and individuals have acquired so much land and other rights there that Japanese interests are securely established.

² Of June 1, not printed. For this conference, see No. 278.

³ The text is here uncertain. The text as sent read: 'desire to remain'.

No. 299

*Note from Earl Curzon to M. Krassin*¹

[N 6516/134/57]*

FOREIGN OFFICE, June 9, 1921

Sir,

I am directed by Earl Curzon of Kedleston to return to you as unacceptable your communication of the 4th instant,² respecting recent events at Vladivostok. It is neither customary nor conducive to good relations that one Government should in this manner and without adducing any corroborative evidence address entirely baseless charges to another, and His Majesty's Government must therefore decline to enter into any correspondence with you on the matter.

I am, &c.

J. D. GREGORY³

¹ See No. 286, n. 3.

² This communication consisted of a covering note from M. Krassin (not printed) enclosing a copy of a telegram received by him from Moscow and addressed by M. Chicherin, Soviet Russian People's Commissar for Foreign Affairs, to the Governments of France, Great Britain, and Italy. This telegram denounced a *coup d'état* whereby the so-called White Guards or Kappel troops (see No. 270) had overthrown the Provisional Government at Vladivostok at the end of May, allegedly 'under the protection of Japanese bayonets', and had set up another Provisional Government under M. Merkulov consisting of all parties except the Communists and the followers of Ataman Semenov. An English version of this telegram is printed in J. Degras, *Soviet Documents on Foreign Policy*, vol. i, 1917-1924 (London, 1951), pp. 246-8.

³ An Assistant Secretary in the Foreign Office, superintending the Northern Department.

No. 300

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 15, 11 p.m.)
No. 225¹ Telegraphic [F 2212/63/23]

TOKYO, June 11, 1921, 11.50 a.m.

Whereas Governments of Japan and Great Britain informed League of Nations that they recognized principle that if Anglo-Japanese agreement of 13th July 1911 is (? continued) after July 1921 it must be in a form which is not inconsistent with covenant of League, they now propose substitution for this date that of 13th October 1921.

If before 13th October 1921 any situation arises in which procedure prescribed by terms of Agreement is inconsistent with procedure prescribed by covenant of League of Nations then procedure prescribed by the said covenant shall be adopted and shall prevail over that prescribed by agreement.

¹ Telegrams Nos. 224 and 225 were despatched in reverse order; see No. 301 below.

No. 301

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 15, 6.45 p.m.)
No. 224 Telegraphic [F 2211/63/23]

Very confidential

TOKYO, June 11, 1921, 1 p.m.

Your telegram No. 118.¹

Minister for Foreign Affairs maintains his opinion that communication made to League of Nations last year is not a notification as required under Article 6 and he is therefore averse to an exchange of notes effecting prolongation. He prefers second method suggested in your telegram and proposes that a joint declaration to following effect should be made to League of Nations (see my immediately following telegram).²

I pointed out to him that this wording avoids question whether alliance remains in force after July 13th unless expressly prolonged. In the event of its being decided not to renew alliance His Majesty's Government would consider that it was terminated whereas Japanese Government would consider it remained in force for a year from date on which we denounced it. A very awkward situation might thus be created.

¹ No. 295.

² No. 300 above.

No. 302

Sir C. Eliot (Tokyo) to Earl Curzon (Received June 15, 10 p.m.)

No. 226 Telegraphic [F 2213/63/23]

Very confidential

TOKYO, June 11, 1921, 1 p.m.

Japanese view as to need for prolonging alliance is as follows:

As soon as article 20 of covenant of League of Nations came into effect alliance became *ipso facto* null and void in so far as it was inconsistent with covenant. Joint communication of July last year has no real force except as an admission that we know alliance requires modification [and]¹ as an expression of our desire to respect the covenant. When communication was made it was supposed that whole question would be settled last autumn and words 'if it be continued after July, 1921' merely mean 'in case we decide to make a new agreement'. But if no new agreement is made old agreement, in so far as it is consistent with covenant, remains in force until it is denounced.

This agreement appears to me scandalous neglect of language of Article 6 of alliance as to notifying intention of termination.² Communication of 1920 is such a notification.

Minister for Foreign Affairs also says that when joint declaration was modified in London last July Count Chinda made it plain in conversation that declaration was not equivalent to a denunciation, but I can find no trace of this in correspondence sent to this Embassy, and Count Chinda's modification of original formula seems to tell against Japanese contention.

¹ Wording as sent.

² The decyphering of this passage caused difficulty. In a letter of Jan. 2, 1922, to Sir W. Tyrrell, Sir C. Eliot said that the words of the original telegram were: 'This agreement appears to me to neglect the language of Article VI, etc.'

No. 303

Earl Curzon to Sir B. Alston (Peking)

*No. 197 Telegraphic [F 2137/63/23]**

FOREIGN OFFICE, June 16, 1921, 9 p.m.

Your telegram No. 228.¹

Chinese Minister called on me, at his own request, on 13th June, and addressed series of pointed questions on intentions of His Majesty's Govern-

¹ Of June 6, not printed. This had reported that Chinese papers had published 'gist of alleged telegram from Chinese Minister at London dated May 30th of which following is translation:

"I called on British Foreign Secretary for the purpose of making enquiry from him regarding Anglo-Japanese Alliance. Latter stated that renewal of alliance was a matter of necessity; attention of British people was concentrated in first place on Pacific, in second place on Germany, only in third place on China. If Great Britain and Japan did not enter into this Treaty of Alliance Great Britain's mouth would be closed in the event of Japanese actually occupying Manchuria and Mongolia; Great Britain could not but renew Anglo-Japanese Alliance in order to maintain balance of power in the Far East.

"Hearing this I shuddered and was filled with regret and vexation. My only hope now is

ment with regard to the Anglo-Japanese Alliance. I replied that before I answered his question[s] I had a question to put to him. I then quoted to him textually the alleged telegram from himself to the Chinese Government which had been published in Peking on 4th June, and said that it seemed to me incredible that he should have sent such a telegram, because, in the first instance, it affected to report an interview with me which had never taken place, and, secondly, it represented an attempt to stir up anti-British feeling in China of which I knew him to be quite incapable. The Minister assured me that the telegram was a deliberate concoction and enquired in what papers it had appeared. I informed him of substance of last paragraph of your telegram,² and said that I presumed that Minister would at once telegraph a *démenti* and insist upon wide publicity being given to it. This he undertook to do forthwith.

I then told him I could give him no definite information about our attitude towards the alliance. The Dominion Premiers were only just arriving, and their first meeting with His Majesty's Government would not take place for another week. The subject might not come up for another ten days or a fortnight. It would then have to be considered from every point of view, and it would be my duty to place before the Conference the representations and views of the Chinese Government as of the various Governments concerned. It would rest with the Imperial Cabinet to decide whether the agreement was to be repeated at all, and, if so, in what form, and what consultation should take place with the various parties interested.

The Minister then asked whether we would consult China before coming to a decision. I said I could not give a definite promise, as it would be prejudging a matter the decision of which did not rest with me, but he might rest assured that no decision would be reached without full consideration being given to the views and feeling of the Chinese Government. With these assurances the Minister appeared satisfied.

Repeat to Tokyo.

(Repeated to Washington, No. 364.)

that people of China may be warned urgently to go straight ahead in this matter of renewal of alliance, to endeavour to take measures for opposing such renewal and to unite in investigating a far-reaching plan of action which will provide me with strong re-inforcements."'

² This read as follows: 'The newspaper in question is registered as the property of an American who has through medium of news agency under his control telegraphed report broadcast.'

No. 304

Earl Curzon to Sir B. Alston (Peking)

*No. 198 Telegraphic [F 2137/63/23]**

FOREIGN OFFICE, *June 17, 1921, noon*

Shangtung.

My telegram No. 197 of 16th June.¹

At conclusion of our conversation on 13th June, Chinese Minister reminded

¹ No. 303.

me that question of Shantung had remained *in statu quo* since the armistice; that the Japanese Government had last year proposed a conference with the Chinese Government but that national pride had rendered it impossible for the latter to accept, and accordingly the Japanese still remained in occupation of the port of Tsingtao, the railway, and a considerable portion of the province. Owing to the impossibility of reaching an agreement with Japan, China now thought of invoking the assistance of the Council of the League of Nations. As a member of that Council they could appeal to it under the articles of the Covenant, but they were reluctant to do so unless assured in advance of the sympathetic consideration of their friends, such as Great Britain.

I remarked that I should require to think it over carefully and to consult my colleagues before I committed myself to a definite answer. *Prima facie*, I saw no objection to the Chinese Government taking advantage of the opening offered them by the Covenant, and if the composition of the matter with Japan was not to be accepted the intervention of the Powers in some such way might be a sound proposition. I offered to let him have my reasoned views at a later date.

The Minister assured me that if China recovered the port of Tsingtao and the bay of Kiaochow, the former would be made a free port open to the commerce of all nations in which foreigners would enjoy the same privileges and position as already possessed at treaty ports.

Repeat to Tokyo.

(Repeated to Washington, No. 365.)

No. 305

Sir B. Alston (Peking) to Earl Curzon (Received June 23, 5.30 p.m.)

No. 242 Telegraphic [F 2295/991/10]

PEKING, *June 21, 1921, 10.40 p.m.*

My despatch No. 46, January 28th.¹

Details now available of outbreaks by mutinous unpaid Government soldiery at Ichang June 4th and Wuchang June 8th, both of which involved serious losses to foreign property and (? considerable) danger to foreign life, indicate that increasing chaos arising from military rule in this country must be regarded as constituting potential danger to foreign residents and their belongings.

There is now no Government capable of providing either compensation for past losses or protection against future outbreaks, while case of Mr. Stevens² proves that military leaders are powerless to govern even those

¹ Not printed. This had reported that on the night of Nov. 29, 1920, 'the soldiers of two brigades stationed at Ichang, whose pay was nine and four months in arrear respectively', had broken out and 'looted the whole city'.

² Mr. C. H. Stevens of the China Inland Mission had been captured and held as a hostage by rebels in Western Shensi in May 1921. The Central Government were not able to secure his release until July.

(? over) (? whom) they profess to rule, and if resulting danger (? to) foreign interests is to be kept in reasonable limits during period, possibly prolonged, in which China is working out her own (? salvation) it becomes necessary to consider how far it is possible to provide foreign protection without incurring risks attaching to foreign intervention.

Possibly an announcement by the Powers principally interested, addressed impartially to all *de jure* and *de facto* Governments and military leaders, regretting that internal disorder in China has deprived foreign representatives of any responsible executive to which they can look for effective protection of foreign life and property to which they are entitled by Treaty and international usage, and stating that pending creation of such an executive they would be compelled to supplement local protection from their own resources, might serve to revive China's waning sense of responsibility.

It may be safely assumed that Chinese people in their present temper would rather endure longer pains at the hands of their own militarists than have their political re-birth³ hastened by foreign agency, and present moment, at which their apologists are seeking in connection with alliance and other questions to minimise true state of affairs in China for the benefit of audiences abroad, should render them more receptive to a warning such as above, as indicating the only way in which they can secure life and property from⁴ outside interference.

I am in consultation with my colleagues of Japan, America and France as to particular issues raised by events at Ichang and Wuchang and am in hope that they will disclose their views on general situation.

(Repeated to Tokio.)

³ The text received at Tokyo read 'reconstruction'.

⁴ The text received at Tokyo read: 'secure ? freedom from'.

No. 306

Sir B. Alston (Peking) to Earl Curzon (Received June 27, 10.45 a.m.)

No. 244 Telegraphic [F 2312/991/10]

Urgent

PEKING, June 24, 1921, 11.30 p.m.

My telegram No. 242 last paragraph.¹

At meeting today of my colleagues, it was agreed on my suggestion that,² with a view to prevent similar future outrages endangering foreign lives and property and for exemplary purposes, to demand (a)³ foreign settlement area at Ichang under international municipal control with Chinese participation on lines of Kulangsu settlement of 1902 together with non-stationing of Chinese troops within a reasonable radius of such an area.⁴ I submit that

¹ No. 305.

² This word was not in the text received at Tokyo.

³ This should presumably have read 'a'; it was not in the text received at Tokyo.

⁴ In an explanatory minute of June 27 Mr. Teichman wrote: 'Ichang was opened as a Treaty Port under the Chefoo Convention of 1876 (III. i). It is one of the ports where there

Ichang, as gateway to south-west China where large foreign missionary . . .⁵ bodies are located and the use of the city⁵ as nearest place of refuge, demands the above measures.

It was also considered desirable to extend the principle of military neutral (? zone)⁶ to Hankow and other treaty ports as necessity arose.

I propose to make joint representations with the representatives concerned on next reception day of Minister for Foreign Affairs June 29th unless I hear from Your Lordship to the contrary.

My colleagues are telegraphing to their Governments in the above sense.⁷ Repeated to Tokio.

is neither concession nor settlement, properly speaking, the area of foreign residence being undefined, and under the complete control of the Chinese Auth^a.

'At Amoy there is, apart from the British Concession, an international settlement established by the Chinese on the island of Kulangsu, with two Chinese (nominated) members on the Council, which consists otherwise of elected foreigners.' For the text of the Chefoo Convention, see Hertslet's *China Treaties*, vol. i, pp. 73-80.

⁵ The text is here uncertain. The text received at Tokyo read: 'Importance of Ichang as gate-way to South-west China where large foreign missionary and trade bodies located there use city.'

⁶ The text received at Tokyo read 'neutralization'.

⁷ For the U.S. Chargé d'Affaires' telegram, see *F.R.U.S. 1921*, vol. i, p. 509.

No. 307

Sir A. Geddes (Washington) to Earl Curzon (Received June 25, 12.25 p.m.)
No. 435 Telegraphic [F 2300/63/23]

WASHINGTON, June 24, 1921

As a result of reports of proceedings of Imperial Conference¹ published in this country, interest in question of renewal of Anglo-Japanese alliance is considerably increased both in political and newspaper circles. As is not infrequently the case an acrimonious triangular discussion is proceeding between State Department, a newspaper agency, and the press generally as to accuracy or inaccuracy of a press statement that United States Government is being kept informed of progress of negotiations between His Majesty's Government and Japanese Government which are assumed to be proceeding, and much is being made of a communiqué issued by State Department to the effect that it has no information.² This leads to headlines such as 'Mystery of Anglo-Japanese Treaty' 'Britain Ignores United States of America'.

They are being made use of to stir up still further American feeling against any form of special Anglo-Japanese relations of friendship or co-operation.

There can be no doubt that American opinion regards even the thought of renewal of treaty as evidence that British protestations of friendly feeling towards United States of America are insincere. It has to be remembered

¹ The Imperial Conference met in London from June 20 to Aug. 5.

² For the communiqué, see *F.R.U.S. 1921*, vol. ii, p. 313.

that American people think of Japan in same way as many British thought of Germans in 1913 as inevitable enemy of next war, and view a British association with Japan now as we should have viewed an American association with Germany at that time.

No. 308

Sir A. Geddes (Washington) to Earl Curzon (Received June 25, 11.35 a.m.)
No. 436 Telegraphic [F 2301/63/23]

Confidential

WASHINGTON, June 24, 1921

My telegram No. 388.¹

Secretary of State in the course of a purely informal conversation said he viewed renewal of Anglo-Japanese Treaty in any form with disquietude because of effects such renewal would inevitably have upon American opinion with regard to the intentions of Great Britain. He said that even if United States were specifically excluded from any operation that treaty might have, result would be little less than unfortunate.

I suggested to him that it was possible that Imperial Conference might decide that at least it² was unable to cast forth Japan as if she were unclean, and asked him if he had ever considered the possibility of United States having an identical or at least a similar agreement or treaty with Japan. He indicated that he had not and then said 'but supposing we negotiated such a treaty Senate would not ratify it'.

He seemed however pleased with idea and talked round it, and finally suggestion arose that instead of a treaty a declaration of policy embodied in identic notes might be exchanged by American, British and Japanese Governments. Subject of course to agreement on essential character of declaration and practical application of principles it would embody, he said he personally would be in favour of adoption of such a line of policy.

I then said to him that clearly our informal talking together in that way could not be regarded as diplomatic conversation but that I felt it was important, and that I should like to go over points with him again when he had had time to think them over. He replied that he would speak to President and let me know whether I could attach more importance to what he had said than would attach to his personal views given in friendly talk.³

He has now let me know that he has no objection to my reporting conversation and is clearly very hopeful that by adoption of some such policy difficulties in America, which he regards as certain to attend a renewal of Anglo-Japanese Treaty, may be avoided.

Essential point in the mind of United States Government with regard to Far East is that no nation should be regarded as having special economic or political interests in that area. It is becoming clearer that a great part of

¹ No. 294.

² The text as sent read: 'decide at least that it'.

³ For the U.S. Secretary of State's memorandum of this conversation on June 23, see *F.R.U.S.* 1921, vol. ii, pp. 314-16.

American anti-Japanese feeling is due to belief that Japan is dominating or is going to dominate, in conjunction with Britain, the markets of Eastern Asia. There are of course many Americans who regard war with Japan within a few years as inevitable. Secretary of State is not one of these but he undoubtedly believes that existence of an Anglo-Japanese alliance makes Japan less tractable and therefore tends to make an American-Japanese war less easy to avoid. He has no illusions as to what effect of such a war would be on British⁴ mercantile interests, marine and otherwise.

⁴ In the Foreign Office it was suggested that this should read 'American'. The text as sent read 'British'.

No. 309

Earl Curzon to Sir B. Alston (Peking)

*No. 203 Telegraphic [F 2298/63/23]**

FOREIGN OFFICE, *June 27, 1921, 9 p.m.*

My telegram No. 197.¹

Secretary of Chinese Legation called on the 24th June and in absence of Minister at Geneva said that telegram had been received from his Government to effect that the alleged telegram published in Peking on the 4th June² had been contradicted through Reuter; he added that many forged telegrams purporting to emanate from Chinese Legations abroad were appearing in Chinese press. He expressed contrition for the incident.

I am much annoyed by the proceedings in this country of Lenox Simpson,³ and have already taken up with Chinese Legation the irregularity of such behaviour on the part of one who advertises himself as 'Political Adviser to Chinese Government'. His action is only prejudicing China's position. Instructions will be sent you later.

Repeated to Tokyo.

(Copy sent to Washington.)

¹ No. 303.

² See No. 303.

³ Mr. B. Lenox Simpson, well known as a writer on Far Eastern affairs under the pen name of 'Putnam Weale', had since 1916 been employed in the political section of the office of the President of China. He contributed a number of articles at this time to British newspapers and periodicals: see e.g. the *Sunday Times*, June 19, p. 10, and the *Daily Telegraph*, June 20, p. 8.

Note from Earl Curzon to the Japanese Ambassador
[F 2299/63/23]*

FOREIGN OFFICE, June 27, 1921

Your Excellency,

I have the honour to acknowledge the receipt of your note of the 24th June¹ in which you inform me that the Japanese Government adhere to the view that the communication made by the Governments of Japan and Great Britain to the League of Nations on the 8th July, 1920, can hardly be regarded as affecting in any way the provision of article 6 of the Anglo-Japanese Alliance Agreement of the 13th July, 1911, as regards termination of the agreement.

2. As your Excellency is aware, from the last paragraph of my note of the 8th June,² this does not correspond with the view of His Majesty's Government. And since that date the matter has been studied further by their legal authorities, who have definitely advised that the joint communication to the League of last year does constitute a notification within article 6 by both the high contracting parties of an intention to terminate the agreement on the 13th July, 1921, unless in the meantime a new agreement should be entered into. It thus follows, in the considered opinion of His Majesty's Government, that the agreement will expire automatically on the last mentioned date, unless it is renewed in the interval.

3. On the 11th and 26th May last, I had the honour to explain to your Excellency the reasons which actuated His Majesty's Government in suggesting that the existing agreement should be prolonged for a further three months, from the 13th July of this year.³ In view of the interpretation placed by His Majesty's Government upon the joint notification to the League of 1920, it thus becomes essential that such prolongation should be effected at an early date, and in order to overcome the difficulty that has arisen owing to the difference of interpretation placed upon the notification of last year by our two Governments, I would suggest that the object aimed at might most conveniently be achieved by a second joint notification to the League so worded as to show that the agreement remains in force until October next in order to allow time for the necessary discussions between the Governments concerned.

4. Time is already short, and I should esteem it a favour if you would submit these proposals to the Japanese Government and urge upon them their early concurrence in the procedure which I have ventured to propose. To facilitate and expedite the settlement of this question, I have the honour to enclose, for the concurrence of your Government, the draft which the suggested notification to the League might follow.

I have, &c.

CURZON OF KEDLESTON

¹ Not printed.

² No. 297.

³ See Nos. 277 and 287.

Joint Notification

Whereas the Governments of Japan and Great Britain informed the League of Nations in their joint notification of the 8th July, 1921 [1920], that they recognised the principle that if the Anglo-Japanese Agreement of the 13th July, 1911, is continued after July 1921 it must be in a form which is not inconsistent with the Covenant of the League, they are agreed that, in order to give time for the necessary discussions between the Governments concerned, the aforesaid declaration shall continue to apply with the substitution of October for July 1921.

If before October 1921 any situation arises in which the procedure prescribed by the terms of the agreement is inconsistent with the procedure prescribed by the Covenant of the League of Nations, then the procedure prescribed by the said covenant shall be adopted and shall prevail over that prescribed by the agreement.

No. 311

Earl Curzon to Sir B. Alston (Peking)

*No. 204 Telegraphic [F 2225/63/23]**

FOREIGN OFFICE, *June 28, 1921, 6 p.m.*

My telegram No. 203, last paragraph.¹

You should at once see Minister for Foreign Affairs and call upon him for an explanation of Simpson's status and activities. His contributions to the press bear the official designation 'Political Adviser to the Chinese Government', and in a letter just published in the 'Spectator' he announces that 'he has been sent to this country by the Chinese Government to place before the public and Parliament what the Chinese view really is on this issue'.²

The 'Daily Herald', which, as you are aware, is the organ of the extreme Communist section in this country, on the 24th June³ published what purports to be a message from the President of China to its readers communicated by Simpson. This message states that 95 per cent. of the Chinese population are workers, and 'friendly assistance by the workers of Britain therefore will be looked for as peculiarly appropriate in this coming crisis'.

His Majesty's Government refuse to believe that alleged message is authentic, and impropriety of an official employee of the Chinese Government in publishing such a message through such a channel is obvious. I am at a loss to understand how Chinese Government can reconcile the offensive practices of their agent with the recognised rules of international usage.

¹ No. 309.

² See *The Spectator* for the week ending June 25, 1921. Mr. Simpson's own account of his activities at this time is given in Putnam Weale, *An Indiscreet Chronicle from the Pacific* (London, 1923), pp. 92-124 *passim*.

³ *The Daily Herald*, June 24, p. 3.

I shall be glad to know what steps the Chinese Government propose to take to put a stop to this nuisance.

I expect them at least to disavow Mr. Simpson's action in some clear and public manner. It would be best if his connection with the Government of China were definitely severed, since he is only discrediting their case by his violence. If not, should he not be recalled from this country?

Repeat to Tokyo.

(Copy sent to Washington.)

No. 312

Sir B. Alston (Peking) to Earl Curzon (Received July 1, 12.15 p.m.)

No. 249 Telegraphic [F 2416/61/10]

PEKING, June 28, 1921, 6.50 p.m.

Your despatch No. 33.¹

After reference to *Corps Diplomatique* I find that with the exception of my United States colleague general opinion is that in view of present political situation in China it would be premature to raise question of abolition of internal taxation in return for an increase of import tariff.

Question of tariff revision has now been raised by Chinese Government itself, identical notes having been received from Minister for Foreign Affairs reminding foreign representatives that tariff fixed in 1918 is due for revision two years after war and declaring that Chinese Government desire that this further revision should now take place.²

As Chinese Government's request is strictly in accordance with conditions governing last revision of tariff, it would appear to be . . .³ I see no reason to oppose it or to make acceptance conditional on *Likin* question being included in discussion.⁴

Subject to your approval I propose to reply to Minister for Foreign Affairs that in view of stipulation . . .⁵ last revision of tariff His Majesty's Government are now prepared to discuss a further revision provided that other powers are also willing to do so. I propose to point out, however, that recent trade conditions in China render assessment for duty purposes of values of merchandise a matter of extreme difficulty and to suggest that it might be advisable to defer revision until situation is more normal.

In view of lack of unanimity in *Corps Diplomatique* with regard to suggestion of abolition of *Likin*, I submit that it would be inadvisable for this legation to put forward any proposals on the subject unless question is raised by Chinese Government. In replying to Minister for Foreign Affairs however

¹ No. 200.

² The proposal was for a revision of the tariff to an effective 5 per cent. to meet the rising values of commodities. Cf. No. 60.

³ The text is here uncertain. The word 'reasonable' was suggested on the filed copy.

⁴ For *li-kin*, see No. 60, n. 2.

⁵ The text is here uncertain. The wording 'contained in' was suggested on the filed copy.

it might be desirable to indicate in general terms willingness of His Majesty's Government to join in discussions tending to reform China's tariff system and especially to remove internal burdens on trade.⁶

⁶ In his telegram No. 237 of July 26 (not printed) Lord Curzon approved Sir B. Alston's proposed reply and general attitude. At the same time he suggested that the position should be explained to the British Chamber of Commerce at Shanghai.

No. 313

Earl Curzon to Sir A. Geddes (Washington)

*No. 382 Telegraphic [F 2367/63/23]**

FOREIGN OFFICE, *June 29, 1921, 6 p.m.*

I took advantage of the presence of the American Ambassador at the Foreign Office on 28th June to have a friendly conversation with him on the subject of the Anglo-Japanese Agreement.

I told him that, as he no doubt knew, the matter was under discussion at the conference of Dominion Premiers,¹ who, in a few days' time, if not earlier, would arrive with His Majesty's Government at a decision on the matter. In the discussions that were taking place the attitude and interests of the American Government had been regarded by every speaker; nor was there anyone who would wish to renew the agreement in a form that was likely to estrange, or cause trouble with, America. From this point of view, the more closely the agreement, if it were decided to renew it, corresponded with American interests and American desires, the better. On the other hand, there was an Imperial aspect of the case, which Britain and the Dominions were bound to consider, in relation both to the peace of the Pacific and the future political stability of the Far East. The great majority of opinion certainly held to the view that, even though the circumstances which called the agreement into being had ceased to exist, it had nevertheless justified itself, and had exercised a tranquillising and pacifying influence in the Eastern world. Should the danger which it had been originally designed to meet, namely, that of an all-powerful Russia in the north and east of Asia, come again into being, and should this phenomenon be strengthened by a German alliance, it might well be that in some such agreement as that between Japan and Great Britain would be found the future salvation of the East.

On the other hand, there were parties who viewed the renewal with no small suspicion. China, where America and ourselves had great industrial and economic interests in common, saw with much alarm the tightening of the clutch which had already been placed upon her by Japan. Similarly, in America there was a large section of opinion which was either unaware of, or declined to realise, the guarantees that we had given against being involved by the existence of the agreement in any possible hostilities at any time with

¹ i.e. The Imperial Conference; see No. 307, n. 1.

America, and which, holding that a conflict between America and Japan was inevitable in the future, could not believe that, if the agreement were continued, Great Britain was not taking sides with a possible enemy of the United States.

All these conflicting arguments, which I stated with some fullness, but which it is unnecessary to recapitulate here, rendered it very desirable that the British Government should have some authoritative knowledge of what was in the mind of the American Government on the subject. We did not infer from the vociferous clamour of the American press that Washington necessarily took the same view. So far, the American Secretary of State had done little more than communicate to your Excellency, and this in an informal way, his anxiety as to the situation, and his impression of the disquietude that would be produced in his country by a renewal of the agreement.² He had not addressed any formal enquiries or made any official statement to His Majesty's Government on the subject. We were therefore unaware, in any decisions at which we might arrive, of the exact impression they would produce in the United States. I could not ask the Ambassador, without instructions from his Government, unless he had received any such, to make any declaration to me on the subject; but I said that it would be very helpful if he could give me any indication of the feelings of President Harding's Administration.

The Ambassador replied that his Government were waiting for us to take the first step; that they had refrained from expressing an opinion only because they did not think that the initiative lay with them; but that he would be prepared at any time, if I submitted definite ideas to him, or asked particular questions, to give me an official response. He added that he would be ready to speak to me at any moment on any matter connected with the subject, whether great or small.

I expressed my respect for the reserve which he had felt it his duty to maintain, but I looked forward to the opportunity of conversing with him at no distant date frankly upon the matter.

One question, however, I did feel myself at liberty to ask. It was this: If the conference now sitting in London³ decided that it was desirable to renew the agreement in some form or another, and we came to the American Government with such an announcement, would the mere fact of renewal, apart from the form in which it took place, be likely to meet with a necessarily unfavourable reception at the hands of the American Government? My position would certainly be complicated if I were to advance upon a field my mere entrance into which might be the source of misunderstanding and offence.

Mr. Harvey hastened to assure me that I need entertain no such fears. In America, as in some other countries, there was a great gap between press clamour and the views of the Government. Whatever the decision at which we might arrive in this country, it would be respectfully treated and examined by his Government.

² See No. 308.

³ See n. 1.

Further, I put the question—arising out of the suggestion made by President Harding's Administration that it might be desirable to have a discussion with Japan and ourselves as to naval strength in the Pacific—whether the Ambassador thought this covered the whole of the ground suitable for an enquiry, or whether it might not be possible to contemplate an investigation in which the whole future fortunes of the Pacific, political and economic, as well as military and naval, might be passed under review by the various nations concerned, with a view of arriving at some constructive policy for the future. I understood that America was withdrawing her fleet from the Atlantic, convinced that no danger could arise from British rivalry on this side, and that her naval forces were to be concentrated in the future in the Pacific. This meant that the Pacific would speedily become the centre and pivot of world politics, and that it would play an enormous part in the determination of the destinies of the future. In these circumstances, it appeared to me that the Powers would do well to consider how they were to conciliate their several interests, apart from those of defence, in that vast area, and how they were to provide for the development without friction or warfare of the immense resources which it possessed. The problem of China alone demanded an exhaustive investigation. Was it not conceivable that some uniformity of policy might be attained, and that the Pacific might be assured of a future that would justify its name?

The Ambassador replied without any hesitation that he could not imagine anything better than that discussions initiated between the interested Powers should range over this extended area, and he felt confident that no objections would be raised by his Government should such a proposal be made.

Altogether, his conversation, although it was necessarily neither detailed nor specific, left me with a favourable impression as to the probable attitude of the American Government, and convinced me that absolute candour between us and them will be the wisest policy to pursue.

No. 314

Earl Curzon to Sir B. Alston (Peking)

No. 205 Telegraphic [F 2295/991/10]

FOREIGN OFFICE, *June 29, 1921, 6 p.m.*

Your telegrams Nos. 242 and 244.¹

In a matter of this kind I must naturally largely depend upon your advice.

I am not clear how far the action reported in your telegram No. 244 (which I approve) covers that foreshadowed in your telegram No. 242 of which I am less certain. As regards latter what precisely have you in mind by expression 'supplement local protection from their own resources'? I am reluctant to sanction any step which might even remotely contemplate international intervention in a general sense. But I see no reason why naval forces should

¹ Nos. 305 and 306.

not be instructed to hold themselves in readiness for protection of foreign life and property at the Treaty ports accessible to them. Matter has been referred to Admiralty but pending your reply I am not making any special request to them.

Whatever measures you eventually recommend it is essential that America should take joint action. This is really the crux of the whole matter.

Repeat to Tokyo.

Repeated to Washington, No. 386 (and Paris).

No. 315

Sir C. Eliot (Tokyo) to Earl Curzon (Received July 1, 3 p.m.)

No. 245 Telegraphic [F 2417/45/10]

TOKYO, June 29, 1921

Your telegram No. 126.¹

Minister for Foreign Affairs spoke again about the finances of Chinese Eastern Railway today. I did not think it wise to use the word 'consortium' but he said even more clearly than before that Great Britain, France, Japan and United States might make a joint loan in which Chinese could participate if it was judged convenient. Minister for Foreign Affairs said openly that it was important for Japanese to keep the line open from Port Arthur to Vladivostock.

¹ In the text as sent this number was queried. On the filed copy it was corrected to '201', i.e. Lord Curzon's telegram No. 370 of June 20 to Washington (not printed) repeated to Peking for Tokyo as No. 201. This had instructed Sir A. Geddes to inform the State Department of the contents of No. 296 above, especially the last paragraph.

No. 316

Sir A. Geddes (Washington) to Earl Curzon (Received July 1, 11.15 a.m.)

No. 449 Telegraphic [F 2411/45/10]

WASHINGTON, June 30, 1921

Your telegram No. 370.¹

In reply to my memorandum giving substance of Tokyo telegram No. 214,² State Department have sent communication warmly thanking His Majesty's Government for this information and expressing appreciation of the firm stand taken by Sir Charles Eliot.³ Views expressed by the latter are stated to be in harmony with those of American Government who are ready to join with other interested Governments in arranging a loan to the Chinese Eastern Railway. Meanwhile views of Mr. Stevens have been invited on my memorandum.

¹ See No. 315, n. 1.

² No. 296.

³ See *F.R.U.S.* 1921, vol. i, pp. 589-90.

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston¹
(Received July 3, 4.15 p.m.)

No. 453 Telegraphic [F 2426/63/23]

WASHINGTON, July 2, 1921 [10.45 a.m.]

Your telegram No. 382.²

I notice that in conversation Your Lordship had with Mr. Harvey, Ambassador assured you that you need entertain no fears that renewal of Alliance, apart from form in which it took place, would of necessity meet with an unfavourable reception at the hands of the United States Government. This is incorrect. I know from my conversations with the Secretary of State that the mere fact of renewal, in whatever form, would create a very unfavourable impression on the present administration. I would draw attention in particular to the statements of Secretary of State, reported in paragraph 1 of my telegram No. 436.³ All my information tends to confirm the view that the United States Government are most apprehensive of the renewal of present agreement or of any new agreement if⁴ between British and Japanese Governments alone.

It is also impossible to endorse the opinion expressed by American Ambassador as regards gap between the views of Press and present administration—particularly in so far as anything touching Japan is concerned. Either Secretary of State or Under-Secretary of State sees the representatives of American Press in Washington every day, and the majority of newspapers and news agencies appear to take their inspiration from these interviews.

I have thought it better to send the above comment on your telegram in order that too much reliability⁵ may not be placed on the above expressions of view by the American Ambassador, who is the subject⁶ of some reserve on the part of the Secretary of State.

With Mr. Harvey's view that absolute candour between Americans and ourselves will be the wisest policy to pursue, I am in most hearty agreement.⁷

¹ Lord Curzon, who had been elevated to a marquessate in the King's Birthday Honours List of June 4, had assumed the title of the Marquess Curzon of Kedleston on July 1.

² No. 313.

³ No. 308.

⁴ This word was not in the text as sent.

⁵ The text as sent read 'reliance'.

⁶ The text as sent read 'object'.

⁷ In a minute, initialled by Lord Curzon, Sir E. Crowe (who had been appointed Permanent Under Secretary of State for Foreign Affairs on Nov. 27, 1920) commented: 'It is difficult to know what value to attach to Sir A. Geddes' successive telegrams in which his views vary with bewildering intensity. E. A. C. July 5.'

No. 318

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received July 2, 6.20 p.m.)

No. 253 Telegraphic [F 2429/63/23]

PEKING, July 2, 1921, 11 a.m.

My telegram No. 215 [? 222].¹

British Chamber of Commerce, Shanghai, have now stated their opinion that in the event of renewal of Anglo-Japanese Alliance there is considerable danger of boycott.²

I feel that this is an exaggeration, but if without previous notification China is mentioned in Treaty there is little doubt that a boycott will be attempted. His Majesty's Consul-General considers that whole agitation in Shanghai is artificial and the work of a few men who have no real claim to speak in name of Chinese business associations.

Telegrams from Chinese sources continue to reach me from various parts of the country requesting me to notify His Majesty's Government, both Houses of Parliament, &c., of their opposition to a renewal of Alliance.

¹ The reference appears to be to No. 292.

² A letter of Sept. 26, 1921 (not printed) from the Asiatic Petroleum Company to the Foreign Office expressed the same view.

No. 319

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received July 4, 9.30 p.m.)

No. 256 Telegraphic [F 2443/991/10]

PEKING, July 2, 1921, 5.40 p.m.

My telegram No. 244.¹

Japanese Government and French Government have approved proposed action but unfortunately United States Government do not concur.²

As Minister for Foreign Affairs is in mourning representations cannot be made immediately and I propose to bring matter before *Corps Diplomatique* on July 5th.

Could not His Majesty's Ambassador at Washington persuade United States Government to join in a measure which is recognised by United States legation here as essential for protection of foreign interests in this country? Failing this, I think we should proceed without them as effect of representations will be very much lost by delay.

Repeated to Tokio.

¹ No. 306.

² See *F.R.U.S.* 1921, vol. i, p. 509.

Note from the Marquess Curzon of Kedleston to the Japanese Ambassador
[F 2299/63/23]*

FOREIGN OFFICE, July 2, 1921

Your Excellency,

Since the despatch of my note to your Excellency of the 27th June, respecting the date of termination of the Anglo-Japanese Agreement of the 13th July, 1911,¹ His Majesty's Government have been giving renewed consideration to the question of the interpretation to be placed on the joint notification addressed to the League of Nations by our two Governments on the 8th July, 1920.²

2. His Majesty's Government recognise that the matters referred to are by no means free from difficulty. They have given full consideration to the view expressed by the Japanese Government in the opposite sense to that held by His Majesty's Government, and are no longer prepared to insist upon their original interpretation when made so clearly aware that the Japanese Government, in agreeing to the joint notification to the League of the 8th July, 1920, had no intention of denouncing the agreement under the terms of article 6 thereof.³

3. I therefore hasten to enclose a revised draft of the further notification to the League of Nations, recast so as to meet the altered circumstances of the case.

I have, &c.

CURZON OF KEDLESTON

¹ No. 310.

² See No. 65.

³ The Lord Chancellor had been asked for his opinion on June 30, and had reversed the decision of the Foreign Office and the Law Officers of the Crown that the Anglo-Japanese joint communication to the League of Nations of July 8, 1920, constituted a denunciation of the Anglo-Japanese Agreement. See No. 328 below, n. 1.

ENCLOSURE IN No. 320

Joint Notification

Whereas the Governments of Great Britain and Japan informed the League of Nations in their joint notification of the 8th July, 1920, that they recognised the principle that, if the Anglo-Japanese Alliance Agreement of the 13th July, 1911, is continued after July 1921, it must be in a form which is not inconsistent with the Covenant of the League, they hereby notify the League, pending further action, that they are agreed that if any situation arises whilst the agreement remains in force in which the procedure prescribed by the terms of the agreement is inconsistent with the procedure prescribed by the Covenant of the League of Nations, then the procedure prescribed by the said Covenant shall be adopted and shall prevail over that prescribed by the agreement.

CHAPTER V

Correspondence, &c., relating to the proposals for a Pacific Conference and to other matters July 4–November 7, 1921

No. 321

*Memorandum by Mr. Ashton-Gwatkin respecting the acquisition of Dutch
Islands opposite Singapore*

[F 2840/2840/23]

(WITH TWO MAPS.)¹

FOREIGN OFFICE, July 4, 1921

The strategical position of Singapore is dominated by certain islands, which, being in Dutch possession, might in the event of war greatly embarrass our position at this important point. The names of the principal islands in question are Pulo Bintang, Pulo Batam, Pulo Bulan. There are other smaller islands adjacent, and together they form the northern part of the Rhio Archipelago.

The views of the Oversea Sub-Committee of the Committee of Imperial Defence, who strongly urge the desirability of the acquisition of these islands, are given in Annex I,² and there is nothing to add, except that this Memorandum makes mention of Pulo Batam and Pulo Bulan only. The equally important island of Pulo Bintang is not referred to by the Committee, although it is mentioned in the exhaustive memorandum by the General Officer Commanding, Singapore, which is printed in Annex I (Appendix I, enclosure, paragraph 6 and postscript). Sir Dudley Ridout³ has also prepared a tracing which shows within a thick black line the islands, the possession of which seems to be essential.

The importance of these islands was indicated in a despatch to the War Office from the General Officer Commanding, Singapore, of April 18th, 1918 (Annex VI). So far as the Foreign Office is concerned, the question was first raised by His Majesty's Ambassador at Tokyo, who suggested that the subject might be mentioned to the Netherlands Government.⁴ At the same time he pointed out that by Article 15 of the Treaty of March 17th, 1824, between Great Britain and the Netherlands,⁵ none of the territories in question can

¹ Not reproduced.

² The Annexes and their enclosures are not printed.

³ Maj.-Gen. Sir D. H. Ridout was in command of troops in the Straits Settlements, 1915–21.

⁴ In Tokyo despatch No. 467 of Dec. 30, 1918, not printed.

⁵ See *B.F.S.P.*, vol. 11, pp. 194–213.

be transferred by the latter to any other Power, and that Great Britain has acquired the right of occupation of any of these possessions in the event of their abandonment by the Netherlands.

A correspondence followed between this Department, the War Office and the Colonial Office, as a result of which three proposals were formulated, as given in The Hague despatch of July 16th, 1919 (Annex I, Appendix II, No. 3, enclosure), one of which is:

‘The transfer by the Netherlands to Great Britain, either by sale or exchange, of the islands of Pulo Batam and Pulo Bulan.’

(N.B. The other two proposals—see postscript to this Memorandum—do not immediately concern the subject.)

Mr. Robertson⁶ stated that he was prepared to sound the Dutch Minister for Foreign Affairs on this proposal.

The question was then referred through the Colonial Office to the Governor of the Straits Settlements; and a reply was received, dated December 16th, 1919 (Annex I, Appendix I), enclosing a Memorandum by the General Officer Commanding, Singapore, with which Mr. F. S. James, the Acting Governor, wrote that he himself was in accord. Sir Dudley Ridout concludes that it is essential that Great Britain should obtain control of the islands.

The Committee of Imperial Defence, Oversea Sub-Committee, concurred in the desirability of acquiring the islands on March 23rd, 1920; they further noted, from the naval point of view, that the acquisition of the islands Pulo Batam and Pulo Bulan, would not in itself be sufficient for the effective defence of Singapore, but that some arrangement should be come to, under which, in time of emergency, Great Britain could occupy for defence purposes any of the other islands necessary to secure the naval anchorage. Such an arrangement would allow our naval forces to block various channels of approach by mining and other means. No further action, however, has since been taken, and the matter appears to have been shelved.

I venture to submit that the question should now be raised again in the manner suggested by Mr. Robertson in The Hague despatch referred to above; and that His Majesty’s Minister at The Hague should be instructed to sound the Dutch Government on the question of the transfer of the islands adjacent to Singapore.

As to the manner in which such transfer might take place, the following alternatives suggest themselves:

1. That Holland should abandon the islands; whereupon Great Britain could occupy them in accordance with the 1824 Treaty.
2. That Holland should sell the islands for a definite sum.
3. That Holland should exchange the islands for some territory now in British possession, possibly in North Borneo.
4. That a tripartite arrangement be made involving the concurrence of the Portuguese Government by which Holland should receive Portu-

⁶ H.M. Chargé d’Affaires at The Hague, July–Oct. 1919.

guese Timor in exchange for the abandonment of the Rhio islands. In this case, either Holland could purchase Timor direct from Portugal; or Great Britain could purchase Timor from Portugal and hand it over to Holland.

(N.B.—Economically, Timor is a much more valuable possession than the Rhio islands, with a larger area and a more numerous population.)

The following annexes⁷ are attached to this Memorandum:

- I. Memorandum by Oversea Sub-Committee of the Committee of Imperial Defence, enclosing Memorandum by General Officer Commanding, Singapore, and other correspondence.
- II. Memorandum on the sale of Portuguese Timor.
- III. Memorandum on the present conditions in Portuguese Timor.
- IV. Memorandum on the Rhio-Lingga Archipelago.
- V. Japanese Estates in Rhio Archipelago.
- VI. Despatch from General Officer Commanding, Singapore, April 18th, 1918, on Japanese holdings in Rhio Archipelago, &c.

Postscript.—Besides the transfer of islands opposite Singapore, the following proposals were also at the same time suggested to His Majesty's Chargé d'Affaires at The Hague for possible discussion with the Dutch Government:⁸

- (a) The inclusion of these islands in a bargain, which may shortly be proposed when His Majesty's Government desire to acquire some small islands for aviation purposes, *en route* from Singapore to Australia.
- (b) A suggestion to the Dutch Government that they should take steps, similar to those proposed for British authorities in British possessions, with a view to the transfer to the nominal or potential control of the Dutch military authorities of any positions of real strategic importance on the Dutch islands.

Mr. Robertson replied that he was prepared to make the latter suggestion.

F. ASHTON-GWATKIN

⁷ Not printed.

⁸ In The Hague despatch No. 189 of July 16, 1919, not printed.

No. 322

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received July 6, 9.20 a.m.)

No. 260 Telegraphic [F 2455/991/10]

Urgent

PEKING, July 5, 1921, 8.50 p.m.

My telegram No. 256.¹

At meeting of *Corps Diplomatique* to-day all present except United States colleague agreed that representation proposed in my telegram No. 244² should now be made to Chinese Government by the whole of the *Corps*

¹ No. 319.

² No. 306.

Diplomatique, and United States representative was invited to so inform his Government and recommend that he might join.

United States Chargé d'Affaires willingly agreed, and is telegraphing to Washington strongly supporting recommendation.³

Your telegram No. 205 received to-day.⁴

Action reported in my telegram No. 244 dealt primarily with particular issues raised by events at Ichang and Wuchang and was not intended to cover that foreshadowed in my telegram No. 242⁵ which dealt with general situation as to which I have not yet sounded my colleagues.

If United States Government can be induced to join in the action now recommended by the whole *Corps Diplomatique* we can await result before pursuing alternative suggestion contained in my telegram No. 242, but if not I see no alternative to latter suggestion.

By 'supplement to local protection from their own resources' I meant to warn Chinese authorities in general terms that they must expect to see us landing and maintaining armed forces on the shore more frequently and for longer periods than in the past and if necessary as a precaution in advance of an outbreak and not only after such has occurred.

Repeated to Tokio.

³ See *F.R.U.S.* 1921, vol. i, p. 510.

⁴ No. 314.

⁵ No. 305.

No. 323

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 6, 11.30 p.m.)

No. 460 Telegraphic [F 2467/63/23]

Urgent

WASHINGTON, July 6, 1921

My telegram No. 453¹ and your telegram No. 382.²

In the course of conversation Secretary of State informed me that up to to-day he has not communicated in any way with Mr. Harvey on subject of United States Government's attitude with regard to Anglo-Japanese Alliance nor has he passed on to him suggestion of possible tripartite declaration of policy of³ agreement with regard to Far East.

I suggested to him that I thought it important that Mr. Harvey should have some information on the subject of what United States Government were thinking on such matters and after he had explained at length why he had not kept Mr. Harvey informed he declared he would telegraph to him immediately.

Mr. Hughes again told me quite plainly that renewal of Anglo-Japanese Alliance or establishment of any special relations between British and Japanese would create unfavourable impression not only in mind of American people but in that of United States Government.

I said that I hoped Mr. Harvey would be informed clearly of this fact so that there might be no possibility of misunderstanding.

¹ No. 317.

² No. 313.

³ The text as sent read 'or'.

No. 324

Mr. Armstrong¹ (New York) to the Marquess Curzon of Kedleston
(Received July 7)

*No. 62 Telegraphic [Confidential/Japan/10/8]**

NEW YORK, July 6, 1921

General trend of newspaper opinion is that a renewal of alliance would serve no useful purpose whatever. There has been no suggestion that indefinite prolongation is British aim. It is pointed out, however, that continuance for one year would enable America to call conference on disarmament, which it is believed will affect the situation, and it is thought that automatic renewal for one year would give time for international conference on the whole Pacific question suggested by General Smuts.² Japanese Ambassador's statement has made a great impression³ and is welcomed by all except Hearst.⁴ Real problem is believed to be clash of international interests in China, and there are suggestions that renewal of alliance would be directed towards policy of Anglo-Japanese grab in China.

¹ Mr. H. Gloster-Armstrong, H.M. Consul-General at New York.

² General Smuts, Prime Minister of the Union of S. Africa, had suggested such a conference in his opening speech at the Imperial Conference on June 21.

³ For the statement issued by the Japanese Ambassador in Washington to the American press, see *F.R.U.S. 1921*, vol. ii, pp. 316-18.

⁴ See No. 24, n. 5.

No. 325

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 8, 10.30 a.m.)

No. 464 Telegraphic [F 2482/63/23]

WASHINGTON, July 7, 1921

Secretary of State is annoyed by Press reports arriving from England and especially by one sent through Universal Services and declared by the service to have been inspired from 'Downing Street' to the effect that arrangement has been made by United States, Britain and Japan to substitute for the Anglo-Japanese Alliance tripartite declaration of policy.

For American international¹ political reasons he (? hopes that) if His Majesty's Government decide to adopt policy of tripartite declaration, all publicity will be avoided until negotiations are complete or alternatively if His Majesty's Government decide to adopt the policy and feel they must announce their decision they will make it plain that negotiations to arrive at form and scope of declaration have to follow announcement.

¹ The text as sent read 'internal'.

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 8, 12.20 p.m.)

No. 467 Telegraphic [F 2485/63/23]

Urgent

WASHINGTON, July 7, 1921 [5.15 p.m.]

Anglo-Japanese Alliance.

President and Secretary of State together have prepared and despatched telegraphic instructions to Mr. Harvey on the subject of United States Government's point of view with regard to Anglo-Japanese Alliance.

Among other things, Mr. Harvey is instructed to inform Your Lordship, without fail, that United States Government would view with regret the renewal or establishment of any special relations;¹ any co-operation or partnership could not, in view of United States Government and of American people, fail to limit the freedom of British action in connection with questions arising in or affecting the Far East. This objection would remain even though United States were specifically excluded from the operation of treaty of Alliance or other instrument ...ing² special relations between British Empire and Japan.

I understand that Mr. Harvey is also instructed that United States Government desire the approach of any proposals³ emanating from His Majesty's Government which have as their object, the replacement of Anglo-Japanese Alliance by British-American-Japanese declaration of common policy.

Both the President and Mr. Hughes are in favour of movement in this direction but wish and expect that the initiative will rest with His Majesty's Government. Within the last few days opinion on the subject of naval disarmament has tended to crystallize round the termination of Anglo-Japanese Alliance or if that be unobtainable round the idea of tripartite declaration of common policy in the Pacific and with regard to States bordering on the Pacific. Possible outlines of such a policy appear still to be vaguely⁴ in mind of United States Government.

Essentials would appear to be:

1. Guarantee of territorial integrity of the Pacific states including British Dominions and colonies facing the Pacific.
2. Establishment on a firm basis of Hay policy of open door in China⁵ expanded to become a policy of equality of commercial and economic opportunity throughout the area covered by the agreement. This

¹ The text received was here incomplete. The text as sent read: 'any special relation of co-operation or partnership between the British Empire and Japan as the existence of such a relation of co-operation', &c.

² The text received was here uncertain. The text as sent read: 'defining the'.

³ The text as sent read: 'desires to approach sympathetically any proposals'.

⁴ In the text as sent this word read 'vague'.

⁵ Cf. No. 61. For the letters sent by Mr. Hay (then U.S. Secretary of State) in 1899 to the Powers regarding the establishment of the policy of the 'Open Door' in China, see *F.R.U.S.* 1899, pp. 128-42.

obviously would not limit the power of imposition of tariff at least in home territories of states, for example in United States itself or in Japan or Australia.

3. Possibly extension of policy under other than⁶ Chinese consortium to other Pacific states in need of international financial assistance to develop their resources.

Limitation of armaments in Pacific might conceivably be added or dealt with separately. The same remark applies to settlement of such questions as those affecting Yap, disposal of ex-German Pacific cables, landing and operation of new cables and precise status of mandated territories in Pacific.

If some such broad general policy can be arrived at and agreed upon I have little doubt that United States would rapidly become a willingly consenting party to the general (? limitation of) naval armaments. Without some such agreement in my judgment she will not. It is, I think, certain that the greatest⁷ difficulty in the way of securing America's whole-hearted adoption of such a policy with regard to Pacific would be the continuation of strife in Ireland. It is certainly one of the causes of America's unwillingness to disarm.

⁶ The text as sent read: 'underlying the'.

⁷ In the text as sent this word read 'great'.

No. 327

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 214 Telegraphic [F 2457/63/23]**

FOREIGN OFFICE, July 8, 1921, 7 p.m.

My telegram No. 141 to Tokyo.¹

The Chinese Minister called on afternoon of 4th July. I began by explaining the situation regarding the continuance of the Anglo-Japanese Agreement and the proposed conference on Pacific question, as detailed in the telegram referred to. I added that we favoured the opinion that China, whose position and future constituted so powerful a factor in the Far Eastern situation, should be invited to such a conference. I wished to ascertain from Mr. Koo whether his Government were likely to approve the suggestion, and, if so, from what standpoint would they approach such a discussion, and what results would they expect to derive from it.

Mr. Koo promised to transmit this message to his Government, and said he thought they would be extremely pleased. He admitted that China was passing through a grave transition, almost a crisis. But he himself was optimistic as to the future. What China wanted more than anything else was peace in the East. This could only be achieved by peaceful relations between Japan and herself—in other words, by some form of agreement with

¹ No. 328 below.

Japan. Great Britain was the only Power in the East with sufficient prestige to bring about such a peace. In the opinion of China, Great Britain had been hindered from exercising this influence by the existence of the Anglo-Japanese Agreement. She had not been free to exercise her authority in an impartial way. China wanted Great Britain to be free from the agreement so that she might become the impartial arbiter of the East.

Here I pointed out that I could not entirely accept this view. I could not admit we had either lost our freedom or compromised our impartiality. In a good many cases the pressure exercised upon China by Japan would have been much more severe had it not been for our good offices. Moreover, China, while now apparently complaining of our being insufficiently impartial, had on several recent occasions, notably in connection with Tibet, behaved towards us in a manner difficult to defend and had adopted an attitude not only not impartial but absolutely antagonistic.

The Chinese Minister had no apologies to offer for his Government. He repeated that he was telling me what public opinion in China undoubtedly thought, though it might be misinformed. China desired the re-establishment of the equilibrium of the East, and the elimination of such doubtful phrases as occurred in the existing agreement concerning the special interests held by Japan and Great Britain in those regions.² Such phrases were open to serious misunderstanding and possibly to dangerous interpretation in practice.

When asked what questions China was likely to bring up and what she could contribute towards solving the problem, the Chinese Minister began to talk about revision of the tariffs, recovery of leased territories, revision of concessions and so on.

I said I thought it would be undesirable to complicate situation by putting forward specific demands which might or might not arise out of the discussion. If such topics were started any Power might point out that concessions in this respect could only be granted to a Government in a secure position and exercising authority over all its territories. This was hardly the case with China.

The Minister admitted that Central Government, though respectable, was painfully feeble; Kwangtung and Canton were under independent Government, and provincial Governors quasi-autonomous. This was because they could not dismiss their armies without money, and the Powers would not provide money until internal conditions were more stable, so everything in China was moving in a vicious circle. But he felt that the knowledge that China would be invited to such a conference would give a stimulus and a strength to the Government which could hardly be exaggerated; and he wanted to know if he might assure his Government that such invitation, if issued by America, would be supported by us.

I at once assented. He then asked if Shangtung would be among subjects

² Section (c) of the Preamble to the Agreement of July 13, 1911, referred to 'The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions.'

debated. I said the settlement of this question primarily concerned Japan and China; but Powers would take great interest in it, and I thought it might come up for discussion.

Chinese Minister undertook at once to consult his Government. I have very little doubt from his attitude that the invitation suggested would be regarded as an enormous compliment, and have a very pacifying and solidifying influence on China. Real difficulty is internal weakness, due to causes no conference can at once remove, but aggravated by propinquity of a powerful and suspected neighbour, control of whose aggressive activities would be considerable element in restoration of confidence and order. I told Chinese Minister that I could not pledge American consent; but whatever happens, I have little doubt that the fact that this suggestion has emanated from Great Britain will have very beneficial and resounding influence when reported in China.³

Please repeat to Tokyo.

(Repeated to Washington, No. 417.)

³ Lord Curzon recorded his conversation with the Chinese Minister still more fully in his despatch No. 623 of July 4 to Peking, not printed.

No. 328

The Marquess Curzon of Kedleston to Sir C. Eliot (Tokyo)

*No. 141 Telegraphic [F 2446/63/23]**

FOREIGN OFFICE, *July 8, 1921, 10 p.m.*

The Japanese Ambassador called on me 4th July to discuss the Anglo-Japanese Agreement. I pointed out that the position had been materially changed since the British Government, on the advice of the Lord Chancellor, had decided that no notification to denounce had been given in July last year.¹ I knew that the Japanese Government took the same view; so there was no need for a renewal of the agreement for three months or any longer period. On the contrary, the old agreement continued until either party took steps to bring it to an end. I was pleased to hear that the new position was a source of satisfaction to the Japanese Government.

A further advantage arising from the altered condition was that it gave all of us time to consider the best arrangements for the future. On this point I assured the Ambassador that we had no desire to alter our relations with Japan or to determine the agreement without good cause, or without the substitution of something equally good, and if possible, better. We had no intention or desire to take any step that could be construed as a slight to our

¹ The Lord Chancellor had, on June 30, been requested to give his opinion whether the communication of July 8, 1920, to the League of Nations (see No. 65) must inevitably be deemed equivalent to a denunciation of the Treaty of Alliance of 1911. In this connexion see J. B. Brebner, 'Canada, the Anglo-Japanese Alliance and the Washington Conference' in *Political Science Quarterly*, vol. 1 (1935), p. 54. Cf. No. 320, n. 3.

ally of the last twenty years. We had no complaint to make of the manner in which she had interpreted her treaty obligations to us. On the contrary, we recognised that during the war Japan had rendered very substantial service to us and to our dominions; we knew that fulfilment of treaty obligations was a recognised principle of Japanese statesmanship. Our feelings towards Japan were as warm as at any time since the making of the agreement. We hoped nothing would occur to disturb those relations; we were incapable of any initiative which could be interpreted as a weakening in sentiment towards our ally.

On the other hand, I said the Ambassador must be aware not only that the situation had completely changed since even the present 1911 agreement had been concluded, but that opinions in America, in China and in some of our dominions made it very desirable to see whether we could not, by some wider and even more satisfactory plan, ensure the future peace of the Pacific and the development of the surrounding countries. America, rightly or wrongly, seemed to regard Japan's position and intentions with great suspicion; many foolish things were said about the certainty of conflict between Japan and the United States of America; a large section of American opinion persisted in thinking that in such a conflict Britain would under the terms of the agreement be found helping Japan against America. China seemed to regard renewal as directed against her. In Canada there was genuine alarm that relations with America would be unfavourably affected. Thus from widely different points of view there was a consensus of opinion, in which His Majesty's Government concurred, that an effort must be made to remove suspicions, to adjust the policy of the principal parties concerned and to place Japan and Great Britain in particular in a position where their co-operation was not likely to be a source of discord or apprehension to others.

The Imperial Conference had approved a suggestion of holding a conference on the Pacific question between Powers principally concerned so as to arrive at an agreed solution.² Our idea was to propose to the American Government the summoning at an early date of an international conference, possibly in America or somewhere near at which should be represented America, Japan, Great Britain, China and the British Dominions directly concerned. Possibly it might later appear desirable to bring in other Powers interested in the Pacific, such as France. The question of the inclusion of South American Pacific States might remain over for the present.

The main question that I had to submit to the Ambassador was whether his Government would be prepared to join in such a conference, with a view to the kind of settlement that I had in view. I told his Excellency quite frankly that I proposed later in the afternoon to see the Chinese Minister, and, without inviting his Government—which I had no right to do—ascertain the general attitude of China, what were the points to which she attached importance, whether she thought that such a conference, with

² For an earlier document referring to the possibility of such a conference, see No. 313.

herself as member, would be fraught with good results.³ I added that to-morrow I intended to submit proposals to the American Ambassador.⁴ I hoped for favourable replies from these quarters, but it seemed to me only consistent with our friendship that I should first approach and, as I hoped, gain the adhesion of the representative of Japan.

Baron Hayashi was confident that his Government shared his own satisfaction at the decision concerning the prolongation of the agreement. He reviewed the advantages which the agreement had given to Japan. In the war with Russia Japan had been assisted by Great Britain and by America as well. Japan had no idea whatever of quarrelling with America. It would be fatal to her to do so. He strongly favoured, therefore, a conference with America, and, though he could not speak authoritatively for his Government until he had submitted the scheme to them, he had little doubt they would approve.

China, he thought, would be the most difficult problem for the conference to deal with. He himself admitted that he thought his country had made a great mistake in its Chinese policy. Japan by her attitude towards China in general, and especially in Shantung, had succeeded only in raising the peoples of China against herself, and in spreading impressions that she wished to reduce China to vassalage. This was far from being the case. He believed that his Government had realised their error, and would welcome opportunity of placing matters on a better footing. He himself had already recommended his Government that the Japanese should retire altogether from the Shantung railways and that Tsingtao should be created a free port entirely under Chinese administration. He thought main difficulty in China was internal rather than external; it arose from disorganised condition of the country and from fact that instead of one Government at Peking there were several in different parts of the country. If we came to an arrangement with one Government, what guarantee was there that it would be observed by others? One of first conditions of settlement seemed to be that the Chinese should realise their own deficiencies, and settle their domestic difficulties, so as to present the Powers with a Government with whom it was worth while to deal. He feared, too, that China might raise a number of very inconvenient questions such as tariff autonomy concessions, treaty rights, extra-territoriality, &c. Further, there was disturbing consideration that whatever money went to China disappeared into the pockets of the governors.

I said that these problems might very well come up for discussion, but the very fact of their existence in unsolved form argued for rather than against a conference. We could not escape discussing these matters sooner or later, and, if proposed conference covered the wide area I anticipated, it might be desirable that these questions should be taken in hand.

The Japanese Ambassador undertook to refer my proposals without delay to his Government, accompanied by his warm support. He asked me to define precise objects which conference should have in view.

I said that, supposing the American Government issued the invitations,

³ See No. 327.

⁴ See No. 330 below.

this would concern them as much as ourselves. Broadly speaking, it seemed there were two objects. One was to make arrangements for future peace of the Pacific. I impressed in the strongest possible language the appalling perils of the situation if the world were to find itself plunged into another war, this time between Japan and America. Such a conflict would be an outrage on international morality, and would be disastrous to both parties, as well as to the peace of the world. If we could devise some agreement, to which all interested States could be parties, and which would secure the disappearance of this particular risk, it would be worth any effort and almost any sacrifice. The second object, already provided for by the existent Anglo-Japanese Agreement, was the preservation of the integrity and independence of China and the maintenance of the open door. We should never settle the Pacific question unless we settled the question of China. If the temper of the Japanese Government was as indicated by the Ambassador, there should be no insuperable obstacle. Should the suggested conference come to a decision about this, the Anglo-Japanese Agreement might then be superseded by some instrument of wider character and application. A third aspect of the case more particularly concerned Japan and ourselves. This was the future of Asia. Circumstances had changed. India no longer wished certain provisions of the agreement to apply to her, and His Majesty's Government did not desire Japan to be involved in obligations in that quarter. But we hold very strongly that a friendly understanding between Great Britain and Japan was of capital importance in the interests of the peace of Asia. I hoped that, whatever solution the conference might come to, Japan and Britain would continue to walk side by side in Asiatic questions.

The Ambassador cordially endorsed these views, which he said were shared by his Government and his countrymen. He hoped to give me a satisfactory answer in the course of a week.⁵

Please repeat to Peking.

(Repeated to Washington, No. 415.)

⁵ Lord Curzon gave Sir C. Eliot a still fuller account of this interview with Baron Hayashi in his despatch No. 387 of July 4, not printed. He also followed up the foregoing telegram of July 8 with a private telegram of the same date (not printed) requesting Sir C. Eliot 'to bear in mind extreme importance of not saying anything at Tokio which will compromise position of Japanese Ambassador here or cause difficulty between him and his Government. He sometimes speaks to me with a frankness which his Government might not like.'

No. 329

Letter from Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston¹

[Confidential/General/363/18]

Personal and confidential

WASHINGTON, July 8, 1921

Dear Lord Curzon,

Your private telegram on the subject of Mr. Harvey's visit to you has just

¹ The date of receipt is not recorded: it was not later than July 20.

arrived.² Presumably you despatched it before you had seen my telegrams Nos. 453, 460, 464 and 467.³

The first thing that strikes me in connection with this episode is Mr. Hughes' monstrous breach of confidence and the second the inaccuracy of his telegram to Mr. Harvey in so far as its content is indicated in your wire to me.

The conversation to which he refers I reported to you in telegram No. 460. It took place on July 6th. and was not only informal but in strict confidence. I did say to Mr. Hughes after the conversation had proceeded for sometime as described in telegram 460, that I feared you had had put before you an impression almost exactly opposite to the one I had derived from him on the subject of the difference between the press point of view and the United States Government's point of view, that whereas I thought they were practically identical Mr. Harvey appeared to think there was a great gap between them. (Your telegram No. 382 paragraph 8.)⁴

As to the use of the phrase 'no concern' of the United States, I have no recollection. Certainly it was not used either by me or Mr. Hughes during the conversation in any way comparable to the way in which it is applied in your telegram.

With all respect I am afraid that I do not agree with the point of view which appears to me to be expressed toward the close of your telegram that if I know from you what Mr. Harvey is saying and if I believe that to be

² This telegram, despatched at 10 p.m. on July 7, is recorded in Lord Curzon's papers as 'not entered' in the official file and has not been traced in Foreign Office archives. A note, dated July 20, by Mr. Lampson who had been transferred to the Far Eastern Department of the Foreign Office in April 1920 (cf. No. 2, n. 1) indicates that it was after the conversation between Mr. Hughes and Sir A. Geddes, reported in No. 323 above, 'that Mr. Harvey called here and complained of what was being said about him at Washington. Mr. Hughes had telegraphed to him that on Sir A. Geddes' showing he (Mr. Harvey) had given Lord Curzon exactly the opposite impression to that given to Sir A. Geddes at Washington by Mr. Hughes. According to Mr. Hughes, Sir A. Geddes was responsible for the statement that Mr. Harvey had declared in substance that renewal of the Alliance or making of any special agreement between Great Britain and Japan was no concern of the United States.

'What Mr. Harvey actually said has already been quoted and he has himself admitted that the record given in Lord Curzon's original telegram is correct. It was that "whatever the decision at which we might arrive in this country, it would be respectfully treated and examined by his Government", and that Lord Curzon need entertain no fear that the mere fact of renewal would necessarily be unfavourably received by the American Government.'

Mr. Lampson added: 'What it amounts to is this. Sir A. Geddes did give Mr. Hughes "a hint" that the attitude adopted by the American Ambassador in London differed from the President's and Mr. Hughes'. But it may have been difficult to refrain from doing so, and perhaps really it was in the public interest that the U.S. Government should know that what their Ambassador was saying in London did not tally with what they themselves held. In the circumstances it might, however, have been wiser if Sir A. Geddes had confined himself to passing on the impression he had formed to the British Government.'

³ Nos. 317, 323, 325, and 326 respectively. According to Mr. Lampson's note, Lord Curzon had, before despatching his private telegram, seen the first two of these telegrams, but not the last two.

⁴ No. 313.

incorrect in a vital particular I should refrain from attempting to have the misunderstanding corrected.

I can see no good in cultivating misunderstandings. On the contrary I agree fully with the last part of your telegram No. 382 that absolute candour between the United States Government and ourselves is the wisest policy to pursue.

In the case under consideration Mr. Harvey's opinion differed from the President's and the Secretary's and it appeared to me essential that you should know of this difference. The hint I gave Mr. Hughes was such as I myself would have been glad to receive and was I think quite delicately given. It is possible that both the President and Mr. Hughes were glad to seize an opportunity of being unpleasant to Mr. Harvey, notwithstanding the informal and confidential nature of the conversation on which their action was based.

If you will read my telegram No. 460 you will see, I think, that my effort was directed to having Mr. Harvey made more useful to you. Mr. Hughes appears to dislike him intensely and to have embarked on a policy of keeping him in ignorance which does not seem to me to be without danger, particularly if the result is that Mr. Harvey tells you things that are not so.

Yours sincerely,
A. GEDDES

No. 330

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)
*No. 416 Telegraphic [F 2461/63/23]**

FOREIGN OFFICE, July 9, 1921, 10.50 a.m.

My telegrams No. 141 to Tokyo and No. 214 to Peking.¹

I saw American Ambassador 5th July, afternoon. I said I need hardly remind him that it had never been contemplated as a remote possibility that the Anglo-Japanese Agreement could be used against America. A good understanding and the closest co-operation with United States of America in restoring the peace of the world was fundamental principle of British policy. Lord Grey had guarded against any misapprehension by the treaty he had made and the language he had adopted.² Japanese Ambassador in Washington had just expressed the view taken by his Government.³ So in the view of the two parties to the Anglo-Japanese Agreement the possibility of its ever being used in a sense hostile to America was entirely ruled out. Nevertheless, as a large section of opinion in America appeared not to take this view, no effort should be spared to produce a sane opinion.

¹ Nos. 328 and 327 respectively.

² The references are presumably to Article IV of the Anglo-Japanese Agreement of 1911 (see *B.F.S.P.*, vol. 104, pp. 173-4) and to Sir E. Grey's negotiations at the time. See *British Documents on the Origins of the War 1898-1914*, edited by G. P. Gooch and Harold Temperley, vol. viii (London, 1932), pp. 503-39.

³ See No. 324, n. 3.

I then outlined the steps leading to the present situation. I told the American Ambassador that idea of a conference had found universal favour at meeting of Dominion Premiers, and that I had been charged with duty of inviting the American Government to summon such a conference at no distant date. States to be invited would obviously be America, Great Britain, Japan, British Dominions and China. Invitation to other Powers and agenda would be matter for discussion. Broadly speaking, my view of latter was that we should set before ourselves necessity of coming to an agreement, to be signed by all parties concerned, which would ensure peace of the Pacific for many years to come; secondly, we must agree about the future of China. If we endeavoured to provide more successfully than had yet been done for the preservation of the integrity and independence of China and the maintenance of the open door, we should only be carrying on one purpose of the Anglo-Japanese Agreement, which was equally, if not more so, an object of American policy.

I told the Ambassador exactly what had passed in my conversation with the Japanese Ambassador and the Chinese Minister,⁴ premising that I had not thought it right to consult him until I had ascertained the attitude of the two other Powers so closely connected. I repeated Baron Hayashi's reassuring remarks about Japanese policy *vis-à-vis* America and China. I said that as regards Far Eastern policy Baron Hayashi always took a line more sensible and prudent than had sometimes been followed by his country. The reply of the Japanese Government could hardly fail to be affirmative, and the effect of extending invitation to China would have far-reaching effect in stabilising the situation in China. Accordingly I made the formal suggestion that United States Government should invite the conference to meet in the forthcoming autumn or winter, and I promised our assistance in making it a success.

Mr. Harvey at once began to discuss who should be invited; he was *prima facie* reluctant to extend the number, especially to the South American States; he also raised question as to necessity of inviting France or Holland. I said that answer would depend on scope of discussion; but that, if we had in view arrangement that was to guarantee peace of the Pacific, it would probably not be desirable to omit any considerable Power having interest of a definite sort in that part of the world, and it would be as well to get as many signatures as possible to resultant agreement. But these matters could be discussed at a more advanced stage.

As regards place and time, Ambassador suggested Havana, as having ample hotels and delightful climate in October and latter part of the year. Site was central between Old and New Worlds, and negotiations could take place in favourable atmosphere.

His Excellency was agreeably surprised to hear about Japan and China. He had expected greater suspicion, perhaps hostility, from Japan. He thought that this, coupled with statement by Japanese Ambassador at Washington,³ indicated new and opportune orientation of Japanese policy

⁴ See Nos. 328 and 327.

in Far East. He warmly welcomed admission of China, and concurred with my description of nature and object of discussion with her. He thought that at the conference one of best guarantees for a lasting arrangement would be that Great Britain should have guiding influence upon Japan and America upon China. He agreed that the sooner we struck in the matter the better. He entertained no doubt that mere announcement that such conference was likely to be held would have immense psychological effect and very pacifying influence in the East. I promised to inform him of Japanese and Chinese replies as soon as they came. He asked whether communication to his own Government should wait till these answers were received. I thought this by no means necessary or expedient, and urged he should communicate without delay. American Government might wish to ask for further elucidation in preliminary stage. It would be well to lose no time in familiarising American Government with the idea of a conference. He agreed to telegraph gist of my communication at once and to send full account by despatch.⁵

I added a word of warning that Ambassador must not think sole value of Anglo-Japanese Agreement to Great Britain lay in its relation to the Pacific, or that, if future of Pacific were provided for by new arrangement, we should therefore wish to drop our very close and intimate relationship with a faithful ally of twenty years' standing. Such relations between Japan and ourselves had great value, as uniting influence and activities of the two greatest Asiatic Powers, and as preventing artificial and most undesirable cleavage between white and yellow-skinned races. From this standpoint, representatives of India at the Imperial Conference, while wishful for elimination of all reference to India in present agreement, nevertheless strongly pressed for continuance of intimate understanding with Japan as a powerful factor in the peace and harmony of Asia as a whole.⁶

(Repeated to Tokyo, No. 142, and Peking.)
(To Tokyo.)

Please repeat to Peking.

⁵ For a paraphrase of Mr. Harvey's telegram of July 8 to the Secretary of State, see *F.R.U.S. 1921*, vol. i, pp. 19-21.

⁶ Lord Curzon sent Sir A. Geddes a fuller account of this interview with Mr. Harvey in his despatch No. 896 of July 5, not printed.

No. 331

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 217 Telegraphic [F 1902/59/10]**

Secret

FOREIGN OFFICE, *July 9, 1921, 7 p.m.*

Your telegrams Nos. 202¹ and 204.²

We are suggesting following course of action to Government of India:

That a communication should now be addressed to the Chinese Govern-

¹ Of May 17, not printed except for extracts in No. 333 below, n. 2.

² No. 281.

ment, both here and in Peking, inviting them to resume the negotiations of 1919 either in London or at Peking; and informing them that, failing such resumption in the immediate future, His Majesty's Government, in view of their commitments to the Tibetan Government arising out of the negotiations of 1914, and in view of the fact the Chinese Government accepted in writing (with the exception of the boundary clause) the convention of 1914 according autonomy to the Tibetans, and subsequently confirmed their willingness to grant Tibetans autonomy in their offer of 1919, do not feel justified in withholding any longer their recognition of the status of Tibet as an autonomous State under the suzerainty of China, and intend dealing on this basis with Tibet in the future; but that at the same time His Majesty's Government remain as heretofore, willing and anxious to do all in their power to promote a tripartite settlement, and in the event of a resumption of negotiations would make every effort to induce the Tibetan Government to meet China's wishes in negotiating a settlement on the basis of the 1914 convention modified in accordance with the terms of the Chinese offer of May 1919. Should it be clear within a reasonable time, say one month, that the Chinese Government do not intend to negotiate, the arms should be supplied to the Tibetans under strict guarantees without any further communication being made to the Chinese Government on the subject.

Above course would enable us to achieve our immediate object, namely, to be able to inform the Tibetan Government either that negotiations are to be resumed or that they may import the arms, and we are suggesting that Bell should remain at Lhasa for this purpose until one month after making above communication to Chinese Government, which, it is proposed, shall be addressed to Chinese Minister here.

I should be glad of your views on the above, and on the suggestion that we should at the same time inform the Chinese Government that we propose to send a British officer temporarily to Lhasa whenever the British and Tibetan Governments desire this for any necessary purpose, and also on suggestion that proposal of Chinese Government to appoint consuls in India should be used as a lever in connection with Tibetan question (see Government of India's telegrams of 16th May and 1st June to Secretary of State).³ (Repeated to India.)

³ These telegrams are not printed.

No. 332

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

*No. 422 Telegraphic [F 2443/991/10]**

FOREIGN OFFICE, *July 12, 1921, 3.15 p.m.*

Peking telegrams Nos. 242,¹ 244,² 256³ and 260⁴ and my telegram to Peking No. 205.⁵

¹ No. 305.

² No. 306.

³ No. 319.

⁴ No. 322.

⁵ No. 314.

Two matters are under discussion:

1. General insecurity of foreign life and property in China.
2. Concrete proposals for protection of foreigners at Ichang and declaration of neutral zone at Hankow and other treaty ports in case of need.

Attitude of His Majesty's Government on these points can be gathered from my telegram No. 205 to Peking.

For the moment first point does not arise; as regards the second, all foreign representatives at Peking are unanimous as to desirability of proposed measures, but American Chargé d'Affaires is apparently precluded from joining in the representations to Chinese Government.

His Majesty's Government consider it their duty to take all proper measures to guard the safety of their nationals in China,⁶ and trust that upon reconsideration United States Government will find themselves able to join the other Powers in common action proposed in Peking telegram No. 244. In the contrary events, [*sic*] we should esteem it a favour to be informed of ground of American objection.

Matter has been fully discussed with American Counsellor here, who has been furnished with gist of Sir B. Alston's telegrams. He has promised to bring matter before State Department.

(Repeated to Paris and Peking, No. 222, for repetition to Tokyo, No. 144.)

⁶ In his telegram No. 262 of July 7 (not printed) Sir B. Alston reported having suggested to the C.-in-C. that in view of 'possible renewed outbreak internal hostilities in the Yang-tsze region . . . as many of His Majesty's ships as are suitable and available should be present on the river during the next few months'. Lord Curzon, in Foreign Office telegram No. 227 of July 19 (not printed), replied that the matter had been brought to the immediate attention of the Admiralty. He assumed that Sir B. Alston would 'keep in constant touch with Commander-in-Chief'.

No. 333

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received July 16, 4 p.m.)

No. 271 Telegraphic [F 2596/59/10]

PEKING, July 14, 1921, 5.50 p.m.

Your telegram No. 217.¹

1. I agree to course of action proposed in first paragraph but I am not clear whether communication is to be made in Peking and London or only in London. I would suggest that text of note be prepared in London and telegraphed to me for presentation to Chinese Government, copy being given to Chinese Minister in London.

I should have hesitated to modify view expressed in my telegram No.

¹ No. 331.

202² but for conciliatory attitude in regard to Chinese sensibilities regarding alliance as reported in your telegram No. 214.³

It is not unlikely that Chinese Government may on receipt of note suggest that Tibetan question form a subject for Pacific conference and it might be well to warn Chinese Minister in advance that this cannot be admitted.

There is of course a certain risk that Americans might encourage Chinese Government to make capital out of Tibetan question, but I think that this risk must be faced in the interests of getting question settled without further delay.

2. I agree to both proposals in second paragraph. Chinese Government might be told that on Tibet being settled, Government of India (provided they agree) would favourably consider the appointment of Chinese Consul. I can hardly believe that (? their representative) would give more trouble than Russian Consul in the past. At the same time, it might prevent Chinese Government receiving wild reports from secret agents in India as they do at present.

² Of May 17, not printed. In this telegram Sir B. Alston had said that he hesitated 'to recommend giving China what amounts to an ultimatum' because this might be a serious blow to her following upon her recent loss of prestige in Outer Mongolia and her 'failure so far to get any satisfaction in Shantung question'. He feared also that 'the Japanese might start active press campaign as in 1919 with a view to promoting anti-British feeling, possible boycott, etc.'

³ No. 327.

No. 334

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston

(Received July 17, 1 p.m.)

No. 259 Telegraphic [A 5175/18/45]

TOKYO, July 14, 1921

Your telegram No. 141.¹

Minister for Foreign Affairs informed me to-day that he had received a telegram from Japanese Ambassador in London communicating your proposals and that on July 11th United States Chargé d'Affaires had sent him a note² enquiring whether Japanese Government would be disposed to accept an invitation if such were made to attend a (? conference) at Washington which would deal with both disarmament question and with the Pacific conference.³ Interval was so short that he was not sure whether this invitation was the result of your conversation with Japanese Ambassador or a spontaneous communication from the President of the United States. In any case it would give the Japanese Government pleasure to send delegates to any conference summoned to deal with disarmament. With regard to discussions dealing with Far East and Pacific, Japanese Government had no

¹ No. 328.

² Cf. *F.R.U.S.* 1921, vol. i, pp. 24-25.

³ The text as sent read: 'disarmament and with Pacific questions'.

objection to examination of general questions, such as policy of Open Door in China. But if it was proposed to bring before the conference questions which are at present subject of negotiation, such as Shantung, Siberia and emigration of Japanese to California and elsewhere, then Japanese Government could not give an unqualified assent. . . .⁴ absolutely refuse to admit the right of conference to discuss these questions but they thought that the natural way to treat them was by negotiation between Japan and Powers immediately concerned in each case and that very special reason must be shown for treating them otherwise. I understood that a reply had been sent to United States Chargé d'Affaires in this sense.⁵

Minister for Foreign Affairs then said he had just had a further communication from Japanese Ambassador in London of which I have as yet heard nothing from you, suggesting that a conference about Pacific question⁶ should be held in London next month. He had not yet had time to submit it to the Cabinet but he thought that Japanese attitude would be as indicated above.

⁴ The text received was here uncertain. The text as sent read: 'They would not'.

⁵ See *F.R.U.S.* 1921, vol. i, p. 31.

⁶ The text as sent read 'questions'.

No. 335

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

No. 942¹ [A 5169/18/45]*

FOREIGN OFFICE, July 14, 1921

Sir,

The American Ambassador called upon me this evening in order to inform me of the latest telegrams from his Government. These were of a somewhat disconcerting nature. His Excellency had previously led me to think that there would be no difficulty about holding the preliminary Conference, to deal with the Pacific question, in London: both because of the convenience of the Dominion Prime Ministers, and also because he had thought that, from every point of view, the arrangement was expedient. He had even, in an earlier conversation, hinted to me that President Harding himself might come over, as he did not share the objections that had been raised in America to the departure of President Wilson for Europe; while, if he could not come, he would probably be represented by the American Secretary of State. Mr. Harvey now read out to me telegrams which indicated that, in the view of the President, both Conferences, that for the Pacific and that for Disarmament, ought to be held in Washington; that both were indispensable parts of the same whole; that London would be an unsuitable place for the Pacific Conference; and that the convenience of the Dominion Premiers must be subordinated to the wider interests of the case.

¹ The text of this despatch was telegraphed to Washington in Foreign Office telegrams Nos. 437 and 438 of July 16.

The American Government appeared, further, to think that the proposal for the Pacific Conference here was a device to postpone the holding of the Disarmament Conference in Washington.²

In reply, I earnestly repudiated any such inference, and said that all the American Government had to do as regards the Disarmament Conference was to fix their own date in Washington—the beginning of November, if that was the time they preferred—and to ask us to attend. We should be there at the date fixed by his Government. On the other hand, I felt that I should have little chance of persuading my Government to agree to the course of action which the President now recommended. After all, the idea of a Pacific Conference emanated, not from President Harding, but from ourselves, and it was solely out of deference to the President that, instead of taking the initiative ourselves, we had surrendered it to him, and had appeared to accept an invitation which we had ourselves suggested. I did not myself see how the two Conferences could possibly be parts of a single whole. Such an arrangement would mean spending six weeks or two months in Washington: which it was out of the power of British Ministers to do. Further, were the members of the Disarmament Conference to wait in Washington, doing nothing, while the members of the Pacific Conference, sitting in the same place, were deciding what it was possible for them to do? The convenience of the Dominion Premiers, who had every right to be heard, could not be sacrificed in the manner proposed. It might be said that the Pacific Conference could be held somewhere *en route*; but in that case the British Ministers would have to make two journeys to and from the American Continent. As for the difficulty of finding an American representative to attend the Pacific Conference in London, this could hardly be considered as serious inasmuch as the Japanese Government, thousands of miles farther away, were willing to make due arrangements for representation. I believed that the Chinese Government would do the same. I feared, therefore, that, if the American Government persisted in their attitude, it would mean that the proposal for a Pacific Conference would fall to the ground. In that case, what, I asked, would be the good of holding a Disarmament Conference at all?

The Ambassador—who, I cannot help thinking, has gone rather ahead of his Government throughout, and committed them to courses which he himself approved—was rather disturbed at the outlook. He undertook to communicate my views, the reasons for which he could not contest, to his Government without delay.³

His Excellency further read to me a telegram from the American Secretary of State suggesting a list of topics for possible discussion at the Pacific Conference, by the length and character of which I was appalled.⁴ These topics included both the integrity of Russia and the Narcotic Problem, by which I understood him to mean the Opium Question.

² Cf. *F.R.U.S.* 1921, vol. i, pp. 23, 28–29.

³ For a paraphrase of Mr. Harvey's consequent telegram of July 15, see *ibid.*, pp. 32–33.

⁴ For this telegram of July 13, see *ibid.*, pp. 31–32.

I told Mr. Harvey that, if this was the kind of discussion upon which we were to embark, it mattered little whether we held the Conference in London or in Washington, because it would occupy such a long time that we should never get to the Disarmament Conference at all.

Mr. Harvey, who had also been pressed by the Japanese Ambassador here for some indication of the subjects that were to be discussed at the Pacific Conference, pleaded with me almost humbly to assist him in the preparation of an agenda.

I undertook to suggest to him, after a little further consideration, a more moderate list of topics upon which we might attempt to concentrate.

The conversation left me with the impression that there are still a good many difficulties to be overcome before either conference can take place.

I am, &c.

CURZON OF KEDLESTON

No. 336

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 17, 3.30 p.m.)

No. 484 Telegraphic [F 2598/991/10]

WASHINGTON, July 16, 1921

My telegram No. 4(?81).¹

Alternative proposal of State Department, which was telegraphed last night to their Chargé d'Affaires at Peking,² is as follows. Begins:

That (?*Corps diplomatique*) should address Chinese Government joint note warning it of the danger of further mutiny at Ichang and stating that in the event of injury to foreign (? interests) Powers will insist upon Chinese Government holding higher military authorities concerned personally responsible and will deny them refuge in their own territories or in foreign settlements and concessions in China. Powers will further reserve the right of exacting from Chinese Government punitive damages for any such injuries to persons or property of their nationals resulting from neglect of this warning. It is suggested that copies of this note be communicated through appropriate consuls to military authorities concerned. Ends.

United States Chargé d'Affaires has instructions to consult in the first instance with His Majesty's Minister.

¹ Of July 14, not printed.

² See *F.R.U.S.* 1921, vol. i, p. 511.

Memorandum by the Marquess Curzon of Kedleston on the situation re proposed Conference at Washington

[A 5489/18/45]

Confidential

FOREIGN OFFICE, July 24, 1921

The difficulties arising out of the arrangements proposed for the Washington Conference are so great, and it is of such supreme importance to measure them carefully in advance, if we are to avoid disappointment and possibly even disaster later on, that I think it well to submit this memorandum on the situation as it now appears to stand.

The suggestion of a Conference on Pacific matters was first made, after a meeting of the Imperial Cabinet in London, by His Majesty's Government and was communicated to the American Government through the American Ambassador.¹ At the same time we assured ourselves of the sympathetic attitude of Japan and China.² At that date we did not contemplate the conjunction of such a Conference with a Conference on the even larger topic of disarmament, though we were aware that the United States Government had expressed itself in favour of international action on the latter issue.

It was on July 11th that there appeared in the Press³—after the interchange of the above-named friendly communications between the British and American Governments—an official invitation from the President of the United States to the Principal Allied and Associated Powers (i.e. Great Britain, France, Italy, Japan) to take part in a Conference to be held at Washington at a date to be mutually settled, on the question of the limitation of armaments.

The invitation contained a further paragraph which ran as follows:

'It is manifest that the question of limitation of armaments has a close relation to Pacific and Far Eastern problems, and the President has suggested that the Powers especially interested in these problems should undertake *in connexion with this Conference* the consideration of all matters bearing upon their solution with a view to reaching a common understanding with regard to principles and policies in the Far East.'

In a final paragraph it was stated that this suggestion had been communicated to the Powers concerned (presumably Great Britain and Japan) and that China had also been invited to take part in the discussions relating to the Far Eastern problems.

The invitation to the Conference on Disarmament was at once accepted by His Majesty's Government, both in a communication made by the Foreign Secretary to the American Ambassador and in a statement made by the Prime Minister in the House of Commons on July 12th [11th].⁴ Similar

¹ See No. 330.

² See Nos. 328 and 327 respectively.

³ See *The Times*, July 11, p. 10.

⁴ See, respectively, *F.R.U.S.* 1921, vol. i, pp. 33-34 and 144 *H.C. Deb.* 5 s., cols. 914-18.

acceptances were received by America from the French and Japanese Governments.⁵

As regards the suggested consideration of Pacific and Far Eastern problems, His Majesty's Government were throughout of the opinion that this was an indispensable prelude to the Conference on Disarmament, and that unless it was so held and unless it resulted in some definite conclusions, the Disarmament Conference would itself be doomed to failure. Accordingly they devoted themselves to an attentive examination of the conditions under which it could most profitably take place.

The Japanese Government are stated to have put certain questions to the American Government as to the scope and character of the subjects to be discussed at the Pacific Conference, but they have not, so far as is known, as yet accepted the invitation.⁶

The Chinese Government are stated to have expressed their readiness to join.⁷

It seemed to His Majesty's Government in England that, in the interests of public advantage as well as of personal convenience, it would be desirable that the conversations on the Pacific should be held in London. The reasons were these: In the first place it would be easier for the Powers specially interested to be represented at an early date in England than in Washington. Such at least was the case with both the British and Japanese Governments. Secondly it was of the highest importance that the Premiers of Canada, Australia and New Zealand, now in London, whose territories border upon or are laved by the Pacific Ocean, should assist in these deliberations which would so vitally affect their future, and that their opinion should find effective expression; and whereas the Canadian Premier might be available for a Conference in America at any time, such was not the case with the Premiers of Australia and New Zealand who were bound to be back for the meetings of their respective Parliaments not later than early in October. In other words England at an early date (for it was understood that the American Government was inclined to a date at the beginning of November or at the latest some time in October [*sic*] for the Washington Conference) seemed to be the only place at which their indispensable co-operation could be assured. It might indeed be possible for English statesmen to travel with them (on their way back to the Dominions) to some place of meeting on the other side of the Atlantic in August or September. But this solution was open to the immediate objections; firstly that it would probably involve two expeditions for the British Delegation to and from the American continent in the forthcoming autumn instead of one—a contingency which was quite out of the question for the principal delegates concerned; secondly that, even if this were escaped, it would in any case involve an absence from England for the double Conference on the Pacific and on Disarmament (if they were held continuously) so prolonged that leading British Cabinet Ministers could not possibly be absent for such

⁵ Cf. *F.R.U.S.* 1921, vol. i, pp. 27 and 31.

⁶ See *ibid.*, p. 31.

⁷ See *ibid.*, p. 29.

a length of time; and lastly that before the Pacific Conference had half completed its course, the Dominion Premiers would be obliged to leave it for their respective countries.

These considerations led His Majesty's Government to the conclusion that it would be in the interest of the Disarmament Conference itself that the preliminary discussions on the Pacific and Far East should be held in England, of course with the approval and co-operation of the American Government, at as early a period in the autumn as might be found convenient, and that armed with their conclusions or advice the delegates of the Great Powers might then approach the question of disarmament at Washington in November. My conversations with the American Ambassador led me to think that these considerations would equally appeal to the Washington Administration and that this sequence of events might be amicably arranged. I even proposed that the conclusions of the Pacific discussion should not be regarded as valid until they were laid upon the table of the Washington Conference and approved by the latter; while, in the event of no agreement being arrived at in London on some or even on all of the subjects raised, the discussion should be renewed at Washington.

Such seemed to His Majesty's Government to be the method most conducive to the general convenience, most likely to lead to practical results, and most helpful to the success of the great policy inaugurated by President Harding.

Subsequent communications however have raised some doubts in my mind whether the case in all its bearings has been fully apprehended by all those concerned, and whether the alternative method that appears to commend itself to the American Government may not be fraught with serious peril to the momentous interests involved.

The view of the American Government as transmitted to us by the American Ambassador on July 22nd⁸ seems indeed to contemplate certain preliminary 'consultations' on Pacific and Far Eastern questions in London. But these consultations are apparently to be of an unofficial character; it is left in doubt whether America proposes to participate in them (for the American note deprecates any arrangement between Japan and Great Britain 'without the participation of America'—a contingency which it is needless to say had not been and cannot be contemplated for a moment); all discussions or proposals are, we are warned, to be subject to the President's approval—a condition which is not further explained; and finally—though this is left in some uncertainty—it seems still to be anticipated that the main or real Conference, not merely on Disarmament (which is of course conceded) but on the Pacific and Far Eastern questions is to be held in Washington.

The inevitable consequences of any such policy—if it be seriously attempted—must be clearly pointed out. They are rendered the more grave by a study of the subjects which it is proposed to discuss at the Conference in question.

⁸ This document summarized the points made in the U.S. Secretary of State's telegram No. 415 of July 20 to Mr. Harvey, of which a paraphrase is printed *ibid.*, pp. 37–39.

The American Government submitted to me unofficially through their Ambassador a hypothetical list of subjects for discussion, from which I ventured to suggest certain omissions.⁹ Even as it now stands the list, if I understand it rightly, consists of the following heads:

- (1) The Open Door or freedom of commercial intercourse in China.
- (2) The territorial integrity and administrative independence of China.
- (3) Shantung.
- (4) Spheres of interest and leased territories.

Further the American Government is anxious to include

- (5) The question of Siberia, with a view to the discovery of fundamental principles applicable both to Russia in Asia and China.

A subsidiary group of questions such as Mandates. Yap and cable communications may, it is thought by the American Government, possibly be settled by diplomatic action before the Washington Conference.

If not they would, I presume, find their way on to the Conference Table.

Finally the American Government suggest that invitations to take part in the Far Eastern discussions might possibly be extended to Belgium, Holland and Portugal (presumably because of its ownership of Macao). No mention whatever is made of France who could not conceivably be excluded from such a discussion. If the fate of Soviet Russia is to be discussed, M. Chicherin will at once demand, indeed he has already demanded, to be present.¹⁰ If Belgium and Portugal are to be invited other countries may equally claim admission. Belgium's interests in the Far East are confined to China. She has no interests in the Pacific. But may there not be other Powers whose Pacific claims it may be difficult to deny?

Thus it is clear that a preliminary difficulty (whether the discussions be held in London or at Washington) will arise from a determination of the States to be represented. Obviously the wider the net is thrown the longer will be the discussions, and the more doubtful the results.

But a second and greater difficulty arises from the nature of the subjects which it is proposed to examine. It will be observed that the whole of the subjects (1) to (4) in the above list relate to China alone. In other words it would seem that the Pacific Conference will have been summoned to devote its attention mainly, if not exclusively, to the problem of that country. But is not the real object of the Conference something much wider and bigger than one country only viz. the future peace of the Pacific and the Far East—to be achieved, it may be, by the enunciation and common acceptance of certain broad principles, whether these take the form of a guarantee of the *status quo* in those regions, or of provisions for common action in the event of this being disturbed? Will not the Conference be abortive unless some such result be secured? But its examination alone will be a matter that will occupy no small amount of time.

⁹ See No. 335.

¹⁰ In his telegram No. 988 of July 19 to the Governments of Great Britain, France, Italy, the U.S.A., China and Japan, printed in *D.V.P.S.S.R.*, vol. iv (Moscow, 1960), No. 154. M. Chicherin was Soviet Russian People's Commissar for Foreign Affairs.

Even however if we confine our attention to the suggested group of China subjects, has any sufficient thought been given to the question what the discussion of them will involve (particularly if all the States above referred to are represented) and how much time it will consume?

The Open Door in China by which is meant the creation of Equal Opportunity, will at once raise the question of all the encroachments upon or abatements of that principle which have taken place during the last 80 years. The 'integrity of China' involves an examination of her territorial frontiers, and raises the question—if it were not raised independently on its own account—of leased territories and harbours. The question of the Administrative integrity (to use the American phrase) or independence of China cannot be pursued for an hour without entailing an examination of the present internal position of China, which is one of administrative chaos and governing ineptitude. How can Chinese authority be re-established without disbanding the 800,000 armed men who batten upon the country, and who is to undertake this task? How can privileges be accorded or restored unless there be a stable Chinese Government to exercise them? Will administrative independence be held to be consistent with foreign post offices and foreign garrisons? When we come to Shantung, we embark upon a whole field of embittered controversy, involving questions of ports, railways, customs, gendarmerie, economic rights and privileges and so on. When we deal with leased or ceded territories we are brought up against the thorny problems of Kwantung Peninsula (Dairen), Kiaochow (Tsingtao), Wei-hai-wei, Kwangchow Wan and Kowloon. When we deal with 'spheres of interest or influence' we have to enquire into the still undefined meaning of the Lansing-Ishii Agreement of November 1917 with its recognition of 'special interests of Japan in China, particularly in the part to which her possessions are contiguous',¹¹ and we shall have to determine exactly what the degree of freedom to be conceded to Japan in Manchuria or elsewhere, is in future to be.

Further, while these subjects are under examination, is it to be believed that the Powers in Conference assembled will be able to shut out all discussion upon the points that will inevitably arise out of them, viz. fiscal autonomy for China, the extra-territorial system, foreign settlements, financial reform, railway unification? It will not be easy to rebuild China in sections or compartments or to leave her partially free and partially in chains. At any rate all the chains will be violently rattled before they are either left on her atrophied limbs or struck off.

The object of this brief analysis has been not to argue whether this or that question ought to be admitted or excluded from the discussion but to show that, when once the discussion has begun he will be a bold man who can say where and when it will stop, and that a Conference opening light heartedly with subjects (1) to (4) may find the days pass into weeks and the weeks into months before the end is in sight.

And if this reasoning applies to the exclusively Chinese topics, what are we to expect when we put forth into the wide ocean of the Pacific, and

¹¹ For this Agreement, cf. No. 212, n. 7 (iii).

discuss the Pacific interests and their protection of all the Powers concerned? And what again will be the outlook if to the solution of the Chinese acrostic we are to add a search for principles of equal application to Soviet Russia in Asia and to China when there is not the remotest analogy between the two territories or the two problems?

Perhaps enough has now been said to indicate that a Conference which attempts to deal at all adequately with all these subjects will not find it easy to discharge its task, unless it has a very full measure of time at its disposal. But in the circumstances is this likely or is it possible? Assuming that the Conference is held at Washington, as appears to be contemplated by the American Government, where and who are the foreign representatives who can in the forthcoming autumn spare the time? If it be assumed that the British Prime Minister or the British Foreign Secretary or both should undertake the duty—and it is difficult to see how it could be carried through without the presence of one or the other—then it must be said at once that neither can possibly be absent from England for so prolonged a period.

And in the meantime while these arduous labours are proceeding, what is to become of the Disarmament Conference, which is apparently to be waiting while the Pacific Ocean yields up its living or its dead? What will become of the representative of Italy, the only Great Power that has no interest in the Pacific or the Far East? Is he to wait about in the antechambers until the summons comes or is he to be called by wireless from Rome when the time of delivery draws nigh? And if it be expected that the same statesmen are to represent their countries in both Conferences—quite apart from Great Britain in whose case it is frankly impossible—can the remainder be spared for so long?

May we not also regard the matter from a wider standpoint? The American Government have earned the world's gratitude for their opportune and splendid initiative. A successful Disarmament Conference may mark an epoch in the history of mankind. But a successful Disarmament Conference is impossible without a successful Pacific Conference preceding it. If the latter is a failure the former will fail also; and failure in either case will not leave matters where they were. It will leave them incomparably and it may be fatally worse. All our efforts therefore should be devoted to creating the antecedent conditions which will make Disarmament possible by making Pacific solutions certain.

How can this be done? It is most difficult, in view of the conditions of time and distance to give any certain answer. But the following suggestions are submitted as possibly of some use. It would seem that the sooner the discussions in London already conceded in principle, are commenced the better. It is vital that they should be attended by an American representative or representatives. The same applies to representatives of Japan and China. The holding of the conversations in London will admit of the due representation of the Dominions of Australia and New Zealand (as well as Canada). The two former might otherwise go unheard. Whether other Powers should or should not be invited at this stage is open to discussion.

An Agenda should be prepared and submitted in advance. The conversations should take place in the second part of August. They may very probably last for three weeks.

Such a gathering may well relieve the Washington Conference of an immense amount of labour; it may succeed in drawing up a series of resolutions or propositions on a number of important points. It may advocate the postponement of others. It may suggest a mechanism for investigating some of the exceedingly complex problems to which reference has already been made.

If it arrives at no result—which is incredible—then the Disarmament Conference will be spared the humiliation of a calamitous failure. If it achieves definite results whether great or small, it will lay these upon the table at Washington and the Conference there can decide what action to take upon them and whether or not to pursue the discussions.

These proposals are submitted from a sincere desire to promote success and to see President Harding's great scheme carried to fruition without undue delay. It need hardly be added that London is not suggested as the scene of these preliminary conversations from any sense of *amour propre* or false pride. It is indicated as the sole geographical spot at which the difficulties which it has been the business of this Memo. to set forth, can within the space of time available to us be most easily resolved and it is recommended as the really indispensable vestibule to the halls of Washington.

C. of K.

No. 338

Record of an interview between Sir E. Crowe and the Japanese Ambassador regarding the proposed Pacific Conference

[F 2929/2635/10]

Secret

FOREIGN OFFICE, *July 25, 1921*

I saw the Japanese Ambassador to-day by Lord Curzon's request as His Lordship was prevented by Cabinet business from receiving His Excellency.

The Ambassador came to report on the present position of the proposed Pacific Conference. He stated he had telegraphed to his Government the substance of his conversation with Lord Curzon on Saturday, July 23rd:¹ to this he had not yet received any reply, but a telegram crossing it had come to his hand, in which his Government informed him that the United States Government had suggested that Japan should accept the principle of a Pacific Conference in America on the understanding that the subject-matters to be discussed at the conference should be previously agreed upon by the several countries concerned. Baron Hayashi understood that his Government either had accepted, or would accept, this American suggestion. They remained strongly opposed to going into any conference without a definite

¹ No record of this conversation has been traced in Foreign Office archives.

programme having been previously fixed. Expressing his own personal opinion, Baron Hayashi told me he expected his Government would endeavour to restrict the agenda of the conference so as to leave for discussion only general principles of policy, such as the mutual recognition of the integrity and independence of the several States and the principle of the 'open door'. He thought his Government would be altogether opposed to bringing into the conference such questions between Japan and China on the one hand, or Japan and America on the other, as could and ought to be settled by direct negotiation between those parties. For instance, he knew the Japanese Government were anxious to come to an arrangement with China about Shantung; if his own advice were followed, the Japanese Government would agree to withdraw their troops and administration altogether from Kiao-chao and let it return to a purely Chinese authority, with certain guarantees for freedom of Japanese trade and communications, &c. If China were to be allowed to bring this question before an international conference, the most probable result would be that, after much debate, China would be compelled to agree to an international settlement for Kiao-Chao, which was certainly not what the Chinese Government desired, for it would mean setting up a second Shanghai, which was probably more obnoxious in Chinese eyes than the various national concessions at the Treaty ports.

Similarly, the Japanese Government had every confidence that they would be able to arrive at an amicable understanding with the United States Government concerning the Island of Yap and the cable station there. If, on the other hand, these questions became the subject of international discussion, the Japanese Government would inevitably be driven to raise the question of the sanctity of treaties, and in fact transfer the discussion from the field of expediency to that of principle, which was always a more serious and more difficult problem to settle.

The Ambassador promised that as soon as he heard anything more definite as to what his Government intended to propose in regard to the agenda of the conference he would let us know. Meanwhile he asked whether anything had been settled as to the place of meeting. He gathered from the newspapers that, whilst we were anxious to hold the Pacific Conference in London, the United States Government insisted on Washington.

I told him that this was not quite the position, but that the question was at the present moment being amicably discussed with the American Government whether, as a matter of convenience, a preliminary discussion—whether it was called by the name of conference or not—might not be held in London so long as the Dominion Prime Ministers were still here,² and I asked whether, if this suggestion should find favour in other quarters, the Japanese Government would be ready on their part to fall in with it. The Ambassador said that his Government had not given him any indication of their views on this point, but he fully anticipated that they would welcome a preliminary discussion in London, if only because it would be conducted in a more expeditious and business-like way than if the Powers were to plunge unprepared

² Cf. *F.R.U.S.* 1921, vol. i, pp. 28–29, 36–39.

into a large field of discussion in America; he undertook to obtain a definite expression of views on this point from Tokyo.

E. A. C.

No. 339

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received July 28, 3.58 p.m.)

No. 291 Telegraphic [F 2790/991/10]

PEKING, July 26, 1921, 10.10 p.m.

Your telegram No. 234.¹

As pointed out in my telegram No. 284² American counter-proposal is more difficult of realisation and therefore less adequate than ours. Meanwhile Chinese residents in Ichang have petitioned the Chinese Government in favour of some form of international settlement and neutralisation, and Taoyin³ in a petition to the Governor of province urges limiting number of troops and taking initiative in the matter of a settlement before it is extorted by foreign Powers; he refers also to the fact that a settlement has been discussed since 1883 and that in 1915 Wai-chiao-pu were in favour of one on certain conditions.

Chances of obtaining some degree of compliance with our demands are therefore not unfavourable provided that prompt action is rendered possible by the reconsideration of their attitude by the State Department.⁴

Repeated to Tokyo.

¹ Of July 20, not printed. This had asked Sir B. Alston how far he considered the American counter-proposal (see No. 336) to be adequate.

² Of July 21, not printed.

³ Cf. No. 252, n. 6.

⁴ In his telegram No. 488 of Aug. 4 Lord Curzon instructed Sir A. Geddes to bring the sense of the foregoing Peking telegram to the notice of the State Department and to ascertain whether there was any possibility of their reconsidering their decision.

No. 340

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 28, 3.59 p.m.)

No. 508 Telegraphic [A 5509/18/45]

WASHINGTON, July 27, 1921

I have seen Secretary of State and have left with him copy of your telegram No. 460.¹ I shall see him again to-morrow but I am not hopeful that he will change position which he has taken up.

¹ Of July 27, printed, with the exception of the last paragraph, in *F.R.U.S. 1921*, vol. i, pp. 45-46. The last paragraph read: 'You are authorised to read this telegram to the Secretary of State, and to leave him a copy'. For Mr. Hughes's account of his interview with Sir A. Geddes, see *ibid.*, pp. 47-50.

He maintains that the announcement of President Harding's intention to call a Conference was shown by Colonel Harvey to Mr. Lloyd George and other Prime Ministers at Chequers Court on Sunday July 10th² and was accepted by them as in every way satisfactory prior to communication to the press and would not have been published if there had been any doubt as to its complete acceptability. He regards (it) as binding on His Majesty's Government.

He points out that no preliminary conference is referred to in published announcement. He has no thought and never has had any thought of preliminary conference. He understands by words 'preliminary consultations or conversations' discussions between Your Lordship and Colonel Harvey in London or discussions between himself and me here.

Mr. Hughes towards the close of our conversation, which was lengthy, remarked that he did not consider it likely that Great Britain would . . .³ attendance at conference even though no preliminary conference were held.

I shall telegraph further tomorrow after I have again seen the Secretary of State.

² Mr. Lloyd George had entertained Mr. Harvey and leading delegates to the Imperial Conference to dinner at Chequers on the evening of July 10; see Lord Riddell's *Intimate Diary of the Peace Conference and after, 1918-1923* (London, 1933), pp. 304-6.

³ The text is here uncertain.

No. 341

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received August 1, 3.50 p.m.)

No. 276 Telegraphic [A 5557/18/45]

Confidential

TOKYO, July 27, 1921

My telegram No. 268.¹

Minister for Foreign Affairs sent a communication to the United States Embassy last night.² I gathered from what he said to me that it expresses readiness to accept an invitation to the Conference but that it is also understood that the topics to be discussed will be settled beforehand. He indicated that the same³ progress had been made in conversation between the Japanese Ambassador and the Secretary of State and that there was good reason for hoping that subjects disagreeable to Japan would be excluded from the agenda. He seemed more confident than on previous occasions that Japan could take part in the Conference without loss of dignity but his tone was still somewhat that of a lawyer preparing his case for the defence. He was very reserved, but did not in any way criticise our action. Vice-Minister, however, intimated to a member of my staff that Japanese Government had been taken aback by the sudden[n]ess of procedure and thought that Great Britain ought to have consulted her ally at an earlier stage.

¹ Of July 20, not printed.

² See *F.R.U.S. 1921*, vol. i, pp. 44-45.

³ The text as sent read 'that some'.

Minister for Foreign Affairs said that no delegates have been selected yet but it was evident from his language that question of the Premier's going had been seriously discussed. Neither Minister for Foreign Affairs nor Vice-Minister for Foreign Affairs seemed satisfied with Baron Hayashi's reports and both indicated that he does not give them information of the kind they desire, meaning I should think the criticism of the proposals he transmits. Naval Attaché reports that the Ministry of Marine approve disarmament. It will be convenient to them to curtail naval programme because they have considerable labour troubles in the dockyards. They express great surprise at proposals for Pacific Conference and foresaw in that case⁴ difficulties as to China.

Military Attaché reports that Minister of War still regards Conference with great disfavour and considers it equivalent to an arraignment of Japan.

⁴ The preceding three words were not in the text sent from Tokyo.

No. 342

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 29, 12.30 p.m.)

No. 511 Telegraphic [A 5523/18/45]

WASHINGTON, July 28, 1921

Reference my telegram No. 508.¹

I have had further long talk with the Secretary of State on the subject of the proposed preliminary conference. He read me telegram he had just received from Colonel Harvey on the subject suggesting Barharbour and indicating numbers likely to come.² Mr. Hughes is personally absolutely opposed to such meeting but he has undertaken to submit proposal to President Harding and not to reject it finally without President's authority. I shall continue to press the matter and shall telegraph again. With regard to the place of the conference if it is held I recommend Darkharbour where I have a house. It is forty miles from Barharbour for anyone approaching from the sea, it is more suitable, and it is much less crowded than Barharbour. I do not anticipate that there would be much difficulty in arranging for the necessary cottages.

¹ No. 340.

² For a paraphrase of this telegram, see *F.R.U.S. 1921*, vol. i, pp. 46-47.

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)
*No. 466 Telegraphic [A 5509/18/45]**

FOREIGN OFFICE, July 29, 1921

Your telegrams Nos. 508 and 511.¹

Mr. Hughes seems to be under a most unfortunate misapprehension as to the facts, which it is desirable that you should at once clear up. Both in conversations at Chequers² and in my interview with American Ambassador next day, the idea of a preliminary conference was not only mooted but was warmly approved by Mr. Harvey, who even discussed with me its being held in London and the persons by whom it might be attended.³ His Majesty's Government regarded this as so definitely a part of the American scheme that Prime Minister, in his statement to House of Commons on 12th [11th] July, openly referred to it, though, of course, without mentioning locality,⁴ and all our subsequent plans and proposals have been based upon assumption that, whether at London or elsewhere, it would take place. Even when, at a later date, the American Secretary of State spoke of preliminary consultations or conversations,⁵ there was no limitation attached to them of the character now first indicated in your telegram No. 508. Accordingly, when a few days ago we suggested that these conversations might be held in America, we again regarded ourselves as acting upon American plan.

Inasmuch as our action in this respect was based originally, and has rested ever since, on expressed opinion of American Ambassador, we think that these facts should be known at once to American Government.

¹ Nos. 340 and 342 respectively.

² Cf. No. 340.

³ For Mr. Harvey's version of this interview, see *F.R.U.S. 1921*, vol. i, pp. 25-27.

⁴ See No. 337, n. 4.

⁵ Cf. No. 337, p. 347.

No. 344

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 30, 3.30 p.m.)

No. 516 Telegraphic [A 5549/18/45]

WASHINGTON, July 29, 1921

Your telegram No. 460¹ and my telegram No. 511.²

I have again seen Secretary of State and have, I think, at last dispelled from his mind the idea that there was any change in the attitude of His Majesty's Government with regard to a preliminary conference on questions affecting Pacific.

He handed me memorandum which he informed me was generally similar in text to telegram sent to American Ambassador in London. In view of

¹ See No. 340, n. 1.

² No. 342.

recent experiences I have thought it well to telegraph it to you in full, see my immediately following telegram.¹

After he had handed me memorandum, he informed me that United States Government is unalterably opposed to the holding of preliminary conference. I then asked him if he wished me to reply using words 'unalterably opposed'. To this he replied, 'Please do so', and added that Colonel Harvey had been instructed to inform Your Lordship in a similar sense.

¹ This telegram of July 29 is not printed. For the text of the U.S. Secretary of State's telegram of July 28, see *F.R.U.S. 1921*, vol. i, pp. 47-50.

No. 345

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received July 31, 10.35 p.m.)

No. 519 Telegraphic [A 5551/18/45]

WASHINGTON, July 30, 1921

Your telegram No. 466.¹

Yesterday I drew Mr. Hughes' attention to terms of Prime Minister's statement in House of Commons and left with him relevant number of Hansard.² To-day on receipt of your telegram I again saw Secretary of State and conveyed to him sentence by sentence its purport.

He expressed himself as astonished and proceeded to read to me long extracts from all the American Ambassador's recent telegrams to him. He began with a telegram despatched by Colonel Harvey on the 8th July describing his interview with Your Lordship on 5th.³ This telegram and all the subsequent ones seemed to me to lack probability of accuracy. Mr. Harvey described suggestion made by you to him on 5th as a proposal for a conference covering not only Pacific problems but also limitation of armaments and embodied a statement to the effect [*sic*] that it was essential that United States Government should act rapidly if President's initiative with regard to disarmament was to be maintained. Hence extremely hurried nature of United States Government's action.

Mr. Harvey's account of meeting at Chequers is short and simply states that draft announcement was approved as it stood. His next telegram despatched on evening July 11th says that he had seen Your Lordship at Foreign Office and that you then made a proposal to him that there should be a preliminary conference, which suggestion he treats as somewhat new.⁴

In reply to a telegram despatched from State Department in Washington on July 13th⁵ the Ambassador reports that he has convinced you in fact, though not in judgment, that your suggestion of a preliminary conference is not feasible.

¹ No. 343.

² See *F.R.U.S. 1921*, vol. i, pp. 19-21. Cf. No. 330.

⁴ See *ibid.*, pp. 25-27.

² Cf. Nos. 337, n. 4, and 343.

⁵ See *ibid.*, pp. 28-29.

In one telegram of about this date he represents Your Lordship, in reply to a statement by him that situation in America made a preliminary conference undesirable, as appealing to him to consider your difficulties with Dominion Prime Ministers, which appeal he transmits.⁶

According to another telegram he convinces Your Lordship that a preliminary conference is out of the question and you are represented as suggesting a preliminary consultation instead, and agreeing that it should not be held in London.⁷

Finally you propose a consultation at Bar Harbour to be attended by you and Prime Ministers.⁸

Mr. Hughes also read me telegrams he had sent to Ambassador. All of these are clear and convincing of sincerity: they begin with a telegram of July 8th proposing a disarmament conference.⁹ Similar telegrams went to Paris, Rome, and Tokio. This telegram crossed Colonel Harvey's of same date. On the 9th Mr. Hughes wired twice laying stress on the importance of preserving President's initiative on disarmament, which was supposed to be in danger of being taken by His Majesty's Government.¹⁰ On the 13th Mr. Hughes wired again rejecting proposal which Ambassador said you had made to him on 11th for a preliminary conference.¹¹ This is clearly first time that Mr. Hughes had subject of preliminary conference before him, and it is also clear that he regarded it as a proposal produced by you after publication on July 11th of notice of the President's intention to summon a conference which Prime Minister had approved unconditionally at Chequers Court on Sunday 10th.¹² Subsequent telegrams from Secretary of State to Ambassador repeat statement in varying form of United States Government's opposition to preliminary conference.

After Mr. Hughes had finished reading telegrams I went over again purport of your telegram No. 466 and he made notes. He asked who the persons were whom Colonel Harvey had suggested might attend, and I replied that I understood name of President, or alternatively of himself, had been mentioned.

After some desultory remarks of astonishment Secretary of State said, 'we are faced then with this position, that British Government believes that American Government has been committed by its Ambassador in London to a course of action which American Government does not approve'.

I replied in the affirmative. He then said that even if His Majesty's Government had misunderstood United States Government's position in this manner, while he regretted misunderstanding, he was unalterably opposed to idea of a preliminary conference.

I said that his position was quite clear and that I should report it.

⁶ See *F.R.U.S.* 1921, vol. i, pp. 32-33.

⁸ See *ibid.*, pp. 46-47.

¹¹ *Ibid.*, pp. 28-29.

⁹ See *ibid.*, p. 18.

⁷ Cf. *ibid.*, pp. 36-37.

¹⁰ *Ibid.*, p. 23.

¹² See Nos. 340 and 343.

*The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)**No. 470 Telegraphic [A 5607/18/45]*

FOREIGN OFFICE, July 30, 1921, 11.30 p.m.

My telegram No. 466 (of July 29th).¹

I spoke to American Ambassador last night, in order to clear up misunderstanding as to the nature of the preliminary conversations before the Pacific Conference in Washington. I reminded His Excellency that the idea of conversations in London had been warmly endorsed, if not actually initiated by, himself, and that he had even suggested that President Harding might come over to take part in them, thereby demonstrating their official and authoritative character. It was astonishing, therefore, now to be told that all that the American Government ever had in view had been private conversations between Mr. Harvey and myself in London, or between Your Excellency and Mr. Hughes in Washington and when we paid what we thought would be regarded as an exceptional compliment to the American Government by signifying our willingness to make a special visit to America, in order that the conversations should be held on American soil, to find that this suggestion was summarily rejected.

The Ambassador said that, in speaking as he had done, he had been groping about for a solution. It is evident that his suggestions were not made on the authority of his Government.

The Ambassador then read a telegram from the American Secretary of State,² recording the views of both President Harding and Mr. Hughes after the consultation between them foreshadowed in your telegrams of the 27th and 28th of July.³

The position taken up by President Harding and Mr. Hughes together was that there must be a Conference in America; that there could be only one Conference; that, if it took place on American soil, it could be summoned only by the President; that the proposal to hold conversations at some place in America other than Washington was, in reality, to suggest another and an earlier Conference; that it was impossible for the President to summon such an earlier Conference; that its convocation would give great offence to the other Powers who had been invited, and had accepted invitations, to the Washington Conference later on: and that it would forestall and prejudice the discussions and the decisions of the main Conference. Further, the American telegram reported that the Japanese Ambassador in Washington had intimated to the State Department that we had proposed such a preliminary discussion, and had expressed himself as opposed to it. Lastly, the proposal was one which would have an unfortunate effect upon American opinion, as it would be regarded as derogatory to the main proposal of the American Government. Mr. Hughes' idea was that the preliminary conversations should take place in London between myself, the Dominion

¹ No. 343.² See *F.R.U.S.* 1921, vol. i, pp. 47-50.³ No. 342.

Premiers, if we liked them to attend, the American Ambassador, and, if it was thought desirable, the Ambassadors of other Powers.

I asked Mr. Harvey if this meant the Japanese Ambassador, and he replied that he supposed it did. But Mr. Harvey made it clear that these consultations were intended to be talks, and nothing more; that they would be invested with no authority whatsoever; and that the American President would decline to allow the procedure of the main Conference to be affected at all by their results.

On the other hand, the President would be glad to see the Dominion Prime Ministers in Washington, on their way home through America, if they liked to confer with him. He was prepared, if necessary, to hurry on the date of the main Conference in order to suit the general convenience.

Whilst reserving my official answer until I had consulted the Cabinet I stated my personal impressions of Mr. Harvey's communication in following sense:

I regretted the forensic tone of the American reply. It was the answer of a lawyer to proposals on our part which had a political rather than a legal complexion, and which indeed, in the circumstances in which they had been put forward, had almost a sentimental aspect. From this point of view I could not but deplore that a proposal, described by the Ambassador himself as handsome, and certainly put forward at the cost of great personal inconvenience to British statesmen, should have been so unceremoniously rejected by the American Government, as though it were an attempt to get the better of them and to snatch some advantage for Great Britain. When rejection of our offer became known, as it probably would, I thought public opinion in both countries would consider that a great mistake had been made. The American Government were wrong in suggesting that we had proposed a preliminary Conference. We merely took up their own suggestion of preliminary conversations, proposing to arrange for them in circumstances most inconvenient to ourselves, but, as we thought, most agreeable to the American Government. Even if at these preliminary conversations, we did not arrive at a definite agreement smoothing the path for larger discussions later on at least we had looked forward to the opportunity of making the personal acquaintance of, and exchanging views with, American statesmen; and clearing away misunderstandings. If America, Japan, and ourselves did not exchange, in some manner or another, before the Conference met, confidential views upon the agenda of the Conference and the main principles of our Pacific policy in the future, how could we possibly hope for the success of the Conference? Apparently, American Government were holding conversations and making arrangements with Japan as to the agenda of the Conference. If it was legitimate to come to an understanding with Japan, why was it improper to come to an understanding with Great Britain and Japan in combination?

Failing such preliminary understanding the Conference, confronted with an almost unlimited programme, would require weeks to do its work; and British Representatives of the highest position could not absent themselves

from England in the late autumn for the time required. It was for this reason that the Prime Minister and I had volunteered to rush over to the United States, in order to prepare the ground in advance. Later in the autumn Parliamentary or other considerations might render it impossible for us to come at all, and Conference would thus be deprived of the presence of those British Representatives who, by virtue of their position, were best entitled to speak for the British Empire. Apart from this insistence upon Washington, refusal of preliminary discussions except with the Japanese and suggestion of private and futile talks in London seemed to me to be fraught with the gravest omen concerning the object which we all had in view. Meeting in Washington without prior discussion and understanding would mean not only waste possibly of months, but diminished chances of securing decisions and enhanced prospect of ultimate failure. It would be calamitous primarily for the American Government, who had initiated proposals; secondly for all participants in the Conference; and lastly, for the peace of the world, that a prospect that had seemed so bright should be clouded by mismanagement or mistakes in the earlier stages.

No. 347

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received August 1, 12.30 p.m.)

No. 520 Telegraphic [A 5552/18/45]

WASHINGTON, July 31, 1921

Your telegrams Nos. 469¹ and 470² and my telegrams Nos. 516,³ 517,⁴ and 519.⁵

1. Japanese position with regard to preliminary conference.

On Thursday July 28th I saw Japanese Ambassador immediately after he had seen Secretary of State, and he gave me clearly to understand that he had informed Secretary of State that Japan was willing to hold preliminary discussion to determine details of agenda for main conference and to consider principles which could underlie their Pacific and Far Eastern policy.

Japanese Ambassador said he was astonished to be told by Mr. Hughes that he knew nothing of any such proposal and that he had had no conversations with or communications from me on the subject. I replied that there must clearly be some misunderstanding as proposal had certainly been made.

The fact is that I had been with Mr. Hughes at State Department for one hour and a half on previous evening (Wednesday July 27th) discussing subject of a preliminary conference and had left with him copy of your telegram No. 460⁶ (see my telegram No. 508).⁷

¹ Of July 30, not printed.

² No. 346.

³ No. 344.

⁴ See No. 344, n. 3.

⁵ No. 345.

⁶ See No. 340, n. 1.

⁷ No. 340.

2. American attitude with regard to conference.

United States Government were convinced that in proposing a preliminary conference His Majesty's Government were trying to hoodwink them. Practically all Americans at present are victims of foundationless suspicion which prevents them even beginning to understand British point of view.

United States Ambassador in London has supplied State Department with distorted views derived from Fleet Street and Printing House Square. In the course of week ending July 9th he was led to believe that Prime Minister and Your Lordship were planning to prevent Mr. Harding and Mr. Hughes having the honour of calling conference on the limitation of armaments. I am credibly informed that even if he had failed to secure approval for draft announcement at Chequers Court on Sunday July 10th he had arranged to release it for publication in the 'Times' on Monday July 11th with a view to forcing the hand of His Majesty's Government.

Absurd story about His Majesty's intervention at a ball at Buckingham Palace is apparently credited by United States Government. I know definitely that Colonel Harvey reported a conversation that he had with His Majesty, and I also know from what I have heard of his telegrams which Mr. Hughes read to me that Colonel Harvey always appears to advantage in them. However that may be, fact remains that belief exists that only by promptitude and diplomatic skill of Colonel Harvey was Mr. Lloyd George prevented from annexing the honour, which was President Harding's by right, of calling a conference on limitation of armaments. Various stories in London press confirmed this belief.

There is now seen in all attempts to secure a preliminary conference made by His Majesty's Government a scheme to reverse result of what is regarded as first round in approaching diplomatic contest.

No. 348

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received August 1, 3 p.m.)

No. 521 Telegraphic [A 5553/18/45]

WASHINGTON, July 31, 1921

My immediately preceding telegram.¹

It is essential to appreciate the fact that American official and public mind belongs to a different world from European mind. In their mind there has been no war that really affected them. Their mental state is descended without abnormal break or interruption from the mental state of 1913. No member of United States Government except Mr. Hoover² knows practically anything about the war except what he read in newspapers while it was

¹ No. 347.

² U.S. Secretary of Commerce and formerly Chairman of the American Relief Administration and of the Food Section of the Supreme Economic Council.

going on. They never lived in the . . .³ we all did and assure you that United States Government is at present thinking of diplomatic victories and domestic political advantage and not (? exclusively) of saving the world from economic ruin.

Over this idea of a preliminary conference Mr. Hughes is in his own mind fighting British Foreign Office for prestige. He has practically said so to me almost in so many words and he has no intention of giving way.

³ The text is here uncertain.

No. 349

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

No. 474 Telegraphic [A 5606/18/45]

FOREIGN OFFICE, August 1, 1921, 10 p.m.

Your telegrams 520,¹ 521,² 522.³

It seems useless now to prolong correspondence on a subject which has been overlaid with so much misunderstanding, and prejudiced by such deplorable but utterly unwarranted suspicion. In dismissing the subject, however, I desire to place on record that the idea that His Majesty's Government ever wished to rob President Harding of a single leaf of his laurels for originating conference on disarmament or to hoodwink American Government is a fantastic chimera. Disarmament has scarcely been mentioned here, because the Conference upon it was regarded as an accepted major premise of the whole situation, and the President's initiative was treated as unchallenged. Any attempt to insinuate the contrary can only have been the result of malice or stupidity. Our sole desire was to assist the President in an object with which is bound up, in our opinion, the future peace of the East.

It was with this intention that we made the suggestions contained in my previous telegrams. The American Government not having seen their way to accept them, we have no desire to persist; and we shall, I think, best escape all chance of further misunderstanding if we leave the exclusive responsibility for the Conference to the Government who initiated it, and for whose success we shall continue to hope. Please make a communication in this sense to the Secretary of State.

¹ No. 347.

² No. 348.

³ Not traced in Foreign Office archives.

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received August 3, 3.20 p.m.)

No. 282 Telegraphic [A 5688/18/45]

Confidential

TOKYO, August [1], 1921 [3.30 p.m.]

Washington Conference.¹

Feeling of surprise at proposal for Pacific Conference and of uncertainty as to its exact meaning has not yet disappeared, and changes in Japanese attitude may occur within next few months, but present situation seems to be as follows:

The dominant impression is still fear and suspicion. It is argued that it is not proposed to discuss any subject which affects other nations as directly as questions of Shantung and Siberia affect Japan, and that therefore Japan is practically summoned before a tribunal to answer for her policy. It is also said that conference ought to consider America's position in Hawaii and Phillipines [*sic*], but I have not heard this [suggestion]² from responsible officials. Apparently a better feeling is growing up between Japan and America . . .³ assurance[s]² that President Harding appreciates Japan's difficulties have given satisfaction.

It is desired to emphasize the disarmament portion of programme. Disarmament is popular amongst business men, especially at Osaka, and in educated circles generally. It commends itself to naval more than to military authorities. It is also favoured by mass of population who dislike heavy taxation and despatch of troops to distant regions such as Siberia. On the other hand were military party to maintain that present armament [armed]² strength is necessary to maintain the honour of Japan and enable her definitely⁴ to secure her proper position in the Far East, the mass of population would probably support [them].²

¹ The text as sent from Tokyo here included a reference to Lord Curzon's telegram No. 157 to Tokyo. The only copy of this telegram of July 28 which has been traced is that preserved in the Tokyo Embassy archives (F.O. 262, Washington Conference, vol. 1548). The text there reads: '*Confidential*. Pacific Conference. It is of first importance we should be able to appreciate accurately [*sic*] motives of Japanese attitude at Conference. I therefore desire to be kept fully and regularly informed of trend of Japanese thought and direction in which Japanese policy is shaping itself. This though at all times essential applies with especial force at present juncture.

'I naturally look to you for guidance and rely upon you and your staff to keep in close - - - est [*sic*] possible touch with all sources of political information.

'Your reports up to date strike us as somewhat meagre.

CURZON'

² Wording as sent.

³ The text is here uncertain. The text as sent read: 'America and the'.

⁴ This word was not in the text as sent.

It is desired that conference discuss principles rather than concrete . . .⁵ and apparently Chinese share this desire (see Sir B. Alston's telegram No. 193 [293]²).⁶ There appears to be (? no) hostility to China here and no desire to exclude her from conference, though difficulty of finding any delegation which can seriously claim to represent China is often mentioned; I think Japanese Government would be glad to settle Shantung and other matters with China before meeting of conference, and will offer her every inducement to do so, but there is no evidence that direct negotiations have begun. Japanese Minister returned to Peking July 30th.

United States Chargé d'Affaires thinks that Japanese will try to make question of racial equality a prominent feature of (? debates) . . .⁷ there is hardly any attempt to make party capital out of conference, on the contrary position of Government has probably been strengthened, because it is thought dangerous to make changes during a crisis.

Since conference is inevitable there is a natural desire to accept it with good grace and dignity. A portion of military party say publicly that Japan has nothing to hide and ought to favour free discussion of all questions.

But I think main effort of Japanese Government will be directed to confining agenda to matters of principle, and also that they would favour postponement.⁸

⁵ The text is here uncertain. The text as sent read 'cases'.

⁶ Of July 29, not printed.

⁷ The text is here uncertain. In the text as sent a new para. began: 'At present there is'.

⁸ In his telegram No. 291 of Aug. 7 (not printed) Sir C. Eliot confirmed the foregoing impression, saying that since the publication of the Japanese note of July 30 (presumably the Japanese note of July 26 in reply to the U.S. Government's note of July 23; see *F.R.U.S. 1921*, vol. i, pp. 43-45) 'newspaper opinion took a more definite shape, and there is now a remarkable unanimity in favour of disarmament and a general, if a reluctant, acceptance of a conference on Far Eastern affairs, provided *faits accomplis* are respected, that specific questions inconvenient to Japan are excluded and discussion is confined to general principles'. He added: 'The press also gives clear expression to feeling that Japan has not been treated quite fairly by Great Britain, who, as an ally, ought to have consulted her earlier.'

No. 351

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 250 Telegraphic [F 2740/991/10]**

FOREIGN OFFICE, *August 2, 1921, 10 p.m.*

Your telegram No. 284¹ has crossed my telegram No. 234.²

In the circumstances and if there is no prospect of inducing American Government to modify their attitude, I see no alternative but to support American proposals, provided that unanimity can thereby be secured.

Most important point, however, is that practical steps should be taken forthwith to provide for contingencies, and that the naval authorities of the

¹ See No. 339, n. 2.

² See *ibid.*, n. 1.

principal Powers should concert and arrange for prompt naval action, if and when required. American Government are, we know, ready to do this (see Washington telegram No. 473),³ and from Tokyo telegram No. 272 Japan is evidently making naval preparations.⁴

You should report result of your consultation with Commander-in-chief, and what is arranged as regards naval co-operation.⁵

Repeat to Tokyo. (Repeated to Washington, No. 479.)

³ Of July 11, not printed.

⁴ Of July 26, not printed. This had reported that the Japanese were holding six gun-boats in readiness.

⁵ For Sir B. Alston's reply, see No. 370 below.

No. 352

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received August 3, 11 a.m.)

No. 524 Telegraphic [A 5675/18/45]

WASHINGTON, August 2, 1921

I have to-day seen the Secretary of State and communicated to him the sense of your telegram No. 474.¹

He appeared to be somewhat taken aback by my saying that His Majesty's Government, in view of the situation which had arisen and to prevent further misunderstanding, thought it best to leave the exclusive responsibility for the Conference to the United States Government.

He asked me if I had no date to suggest. To this I replied that I had no instructions on that point. He then asked if he was to understand that the discussions as to agenda would be unwelcome. I replied that I felt sure that His Majesty's Government would be very pleased to receive any suggestions that he wished to put forward.

¹ No. 349.

No. 353

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

No. 484 Telegraphic [A 5711/18/45]

FOREIGN OFFICE, August 3, 1921, 10.30 p.m.

Your telegram No. 524 (of August 2nd).¹

American Counsellor of Embassy called upon me in temporary absence of Ambassador this afternoon, to ask me what date we would desire for meeting of Washington conference. In accordance with policy indicated in my tele-

¹ No. 352.

gram No. 474 (of August 1st)² I replied that we would prefer to leave the decision to the American Government.

The same remark applies to concluding question of American Secretary of State, reported in your telegram No. 524. Inasmuch as arrangements proposed by us for preliminary discussion of agenda have broken down, it is clearly the best course that American Government having assumed exclusive responsibility for the conference, should prepare the agenda themselves. Discussion by telegram does not seem likely to produce good results.

² No. 349.

No. 354

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received August 6, 6.30 p.m.)

No. 304 Telegraphic [F 2893/2635/10]

PEKING, August 4, 1921, 5.10 p.m.

Your telegram No. 236.¹

1. Extra-territoriality.

Chinese attitude towards Germans and especially Russians has [been]² shown [to be],² firstly, that she aims at obtaining abolition (? for³ transitional) period of mixed courts; secondly, that she is still entirely unfitted to exercise jurisdiction over foreigners.

2. Tariff revision, tariff autonomy, and inland taxation.

We have already intimated our readiness to discuss tariff revision and reform in connection with abolition of inland taxation but tariff autonomy must await establishment of a unified China and stable Government before it can even be considered.

3. Abolition of spheres of influence and special interest.

I consider we might offer to abandon all our non-alienation agreements with China on condition that other Powers do likewise, e.g., we give up Yangtze region and possibly Chusan; France, Hainan; and Japan, Fukhien; while France and ourselves renounce any special privileges derived from agreements with China or between ourselves regarding five south-western provinces.

4. Standardisation and unification of railways.

China has commenced former and deliberately ignored latter from fear of the⁴ Foreign interference it implied. Unification can only be obtained, I fear, in face of Chinese opposition greater than was contemplated by Sir J.

¹ Of July 26, not printed. This had asked for Sir B. Alston's advice on the questions here enumerated, in view of the forthcoming Pacific Conference.

² Wording as received at Tokyo.

³ This word was amended in pencil on the filed copy to read: 'without any', as in the text received at Tokyo.

⁴ The text as received at Tokyo read: 'fear of relic of foreign'.

Jordan. Public [opinion or]² discussion of this question at New York consortium Conference without reference to China had intensified Chinese opposition to the scheme.

5. Rendition of leased territories.

We could offer Wei-hai-Wei provided French agree to return Kwang-chouwan and Japanese Tsingtao.

Kowloon should be regarded as part and parcel of Hong Kong and its return should not be considered except possibly in connection with Dairen (see paragraph 8 below).

6. Internationalisation of residential concessions.

This might usefully be considered at Shanghai, Canton, Hangkow and Tientsin provided Chinese will assist, through a reasonable extension of limits of evacuation, inclusion of ex-German, Austrian, and Russian concessions at Hangkow and Tientsin.

7. Shantung.

Only solution is return of Tsingtao 'leased' territory and railway to China (this might necessitate our giving up Wei-hai-Wei, see paragraph 5), all Japanese troops and police to be withdrawn from railway, 'settlement' at Tsingtao to be internationalized, and railway to be included in eventual unification scheme.

8. South Manchuria.

Japanese will never admit of their position there being questioned and I consider it is useless for us to attempt to do so. Far better concentrate on moderating Japanese attitude elsewhere in China.

9. Open Door.

In view of American attitude as now revealed we must discuss with them its practical application in order to prevent its being utilized by them in a manner detrimental to our established interests.

An agreement on basis suggested under paragraph 3 should help to clear the atmosphere and prove our *bona fides*.

10. Foreign post offices.

These might be abolished on conditions already formulated by us.

11. Unification of telegraphic communications.

This should be advocated on a consortium basis similar to that on which unification of railway communications is sought, and should be accompanied by removal of all foreign-owned wireless stations other than those erected under protocol of 1901.⁵

12. Remission of indemnity.

This might be considered for educational purposes under guarantee.⁶

In conclusion, if I am right in assuming that main object of Conference is to eliminate immediate causes of international friction, I venture to suggest that we should be prepared to make it clear to Chinese delegation at the outset that subject matter of paragraphs 1, 2, 6, and 12 can only be usefully discussed with representatives of a united and stable Government which is

⁵ For this protocol, see No. 86, n. 3.

⁶ See No. 225.

prepared to accept degree of foreign assistance which recent events have proved to be essential. Existing Chinese Government have shown themselves too utterly incompetent and insincere in dealing with financial situation, opium, and disbandment to be allowed any increased power without proper control. 4 and 11 would be in best interests of Chinese provided that foreign assistance was admitted.

At the same time concessions under 3, 5, and 10 would prove goodwill of Great Powers towards one another and to Chinese without real danger to essential foreign interests.

I presume Your Lordship will resist any attempt to bring Tibet into discussion at Conference.

No. 355

The Marquess Curzon of Kedleston to Sir C. Eliot (Tokyo)

*No. 162 Telegraphic [F 2905/2905/23]**

FOREIGN OFFICE, August 5, 1921, 9 p.m.

I regret to say that there has been a series of very regrettable misunderstandings since the idea of a Pacific Conference was first mooted in connection with the proposals of President Harding. For these misunderstandings neither the British nor the Japanese Government have any responsibility. Nevertheless, it may be useful to you to be familiar with the sequence of events in case any echoes of this misapprehension may be heard at Tokyo.

My first conversation with the Japanese Ambassador, which preceded that with either the Chinese or American representative, took place on 4th July, and was recorded in my telegram No. 141 to you.¹ You no doubt apprised the Minister for Foreign Affairs of its contents.

It was with the greatest satisfaction that I was able to tell Baron Hayashi that, acting upon the highest legal advice, His Majesty's Government were in a position to accept the view which the Japanese Government had consistently maintained, and in which I personally concurred, that the joint notification of 8th July, 1920, to the League of Nations did not constitute a formal denunciation of the Anglo-Japanese Agreement.² The result is that the agreement remains in force and will continue to do so until a year after formal denunciation has been made.

The suggestion of a Pacific Conference which I had made to Baron Hayashi, and which was sympathetically received by him, was then formally submitted by me to the American Government through the American Ambassador, His Majesty's Government being quite willing that the initiative in summoning such a conference should be taken by the President of the United States, who had already indicated his desire to confer with the Great Powers upon disarmament in Eastern waters.³ At the same time, I made it quite clear to Mr. Harvey that, even if the future of the Pacific were provided for

¹ No. 328.

² Cf. No. 320.

³ See No. 330.

by some new arrangement, His Majesty's Government would not desire to abandon their very close and intimate relationship with a faithful ally of twenty years' standing; and that His Majesty's Government regarded their special relations with Japan as having the greatest value in uniting the influence and activities of the two principal Asiatic Powers.

On 10th July Mr. Harvey notified His Majesty's Government of the invitation from President Harding to join in a disarmament conference at Washington, and it was published in the press of 11th July.⁴ As conveyed and interpreted by Mr. Harvey, this invitation was understood by His Majesty's Government to mean: (a) that a disarmament conference should be held at Washington between the Allied and Associated Powers; (b) that this should be preceded by a Pacific Conference, to be attended by those primarily interested, e.g., Japan, China, the British Empire and America; (c) that the two conferences should be at different times and places, but that the Pacific Conference should come first. It seemed, indeed, mere common sense that this should be the procedure, for until the problems of the Pacific had been discussed and regulated, it would be useless to embark on a discussion of disarmament. It was accordingly on this assumption that His Majesty's Government accepted the President's invitation, as stated by the Prime Minister in Parliament on 11th July.⁵

At this stage began the series of misunderstandings with the American Government to which I have referred, the idea of a Pacific Conference being whittled down to conversations or consultations, and complete confusion existing as to where and in what form they should be held. In the end, the United States Government categorically refused to agree to any preliminary meeting in London, and when, in our desire to come to some understanding with Japan and America as to the agenda to be adopted and the course to be pursued at Washington later on, the Prime Minister made the offer to proceed forthwith to America together with the Dominion Premiers and myself in order to hold these preliminary conversations with representatives of the American and Japanese Governments, the offer was refused by America.⁶ I had kept Baron Hayashi informed of these proceedings at each stage, and requested him to communicate all these proposals to his Government. After the American refusal, my telegram No. 474 was despatched to Washington with the full approval of the Imperial Cabinet, who had been consulted throughout, stating that we had no further desire to persist in our original desire for a preliminary consultation and exchange of views, and that the best way in our judgment to avoid all chance of further misunderstanding was to leave the exclusive responsibility for the conference to the Government who initiated it, and for whose success we should continue to hope.⁷

The above summary, which you should bring to the notice of the Japanese Government, is sufficient to show that at each stage His Majesty's Government have had in their mind their special relationship to Japan, and that we were unwilling to embark upon any conferences or conversations with

⁴ See *The Times*, July 11, p. 10.

⁵ Cf. Nos. 343, and 345.

⁶ See *F.R.U.S.* 1921, vol. i, pp. 47-50.

⁷ No. 349.

America except in the presence of Japan; and that we held an understanding between the three Powers, resulting from a frank interchange of views to be an essential preliminary condition of the larger international conference later on. It is not our fault that these intentions have failed, and if the subsequent proceedings are in any way prejudiced by this failure the responsibility is not ours.

The situation has not been rendered easier here by the fact that the Japanese Ambassador, whom I have seen almost daily, does not appear to have been kept very fully or continuously informed of the views or desires of his Government, and that at various stages I have not known myself exactly either what they were doing or what they desired. At the same time, I have seen no reason to doubt that our points of view have been in all essential particulars the same and that our joint policy will continue and be marked by the closest and most loyal harmony.

(Repeat to Peking; copy sent to Washington.)

No. 356

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received August 7, 5.30 p.m.)

No. 307 Telegraphic [F 2896/45/10]

PEKING, August 6, 1921, 12.40 p.m.

Your telegram No. 233.¹

United States Legation have not revived question² but United States Government have asked for recommendations of Technical Board on proposal for an Allied loan to railway. Stevens is suggesting 10,000,000 dollars gold loan subject to giving to Board not only³ of proceeds but also of all railway's receipts and expenditure and powers to appoint or dismiss all members of personnel. Russians agree and Stevens states that United States would probably join in loan, and that Japanese informed him (presumably when in Tokyo) that they would join too. French attitude uncertain, while Chinese would probably oppose.

Stevens asks for Becket[t]'s support. I am instructing him to reply that matter is one of policy on which he cannot express himself officially without instructions from his Government to do so.

Proposal is apparently renewal of that in Washington telegram No. 178⁴ either wholly or in part. From your telegrams Nos. 171 and 183⁵ I conclude that His Majesty's Government incline towards concurrence if Chinese as

¹ Of July 20, not printed.

² The reference is to a proposed issue of 5 per cent. debenture bonds by the Chinese Eastern Railway. Cf. *F.R.U.S.* 1921, vol. i, pp. 597-8.

³ It was suggested on the text of this telegram received at Tokyo that the word 'control' should here be inserted. For Mr. Stevens's proposals, see *F.R.U.S.* 1921, vol. i, pp. 600-1.

⁴ See No. 254, nn. 2 and 3.

⁵ Nos. 276 and 293 respectively.

well as Japanese agreement is first obtained. So far as I know United States have done nothing to obtain former.

Viewed from point of view of immediate vantage ground of welfare of railway, proposal is certainly good. On political side consideration will no doubt be given to⁶ China's relations with Powers involved if full international control is enforced without her consent, and to the fact that proposal, if adopted, would increase enormously power of Technical Board, perpetuate indefinitely British responsibilities in connection with railway and its appendages, and link us with an undertaking which may conceivably become a bone of contention between America and Japan.

⁶ The text received at Tokyo here included the words: 'effect on'.

No. 357

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received August 14, 4 p.m.)

No. 297 Telegraphic [F 3003/2905/23]

TOKYO, August 12, 1921

I made verbal communication to Minister for Foreign Affairs of substance of your telegrams Nos. 141¹ and 162² as instructed.

Minister for Foreign Affairs requested me to thank you warmly for this communication which he highly appreciated. It made plain many things which he had not understood before. Japan could do nothing but accept the fact that there was to be no preliminary Conference. This made it all the more necessary to come to an understanding about agenda of Conference and clear up our ideas by discussions between Governments and Ambassadors in London, Tokyo and Washington. Matter was urgent because if Conference was to meet at Washington on November 11th Japanese Delegates must leave early in October and Japanese Government ought to set about preparing their definite instructions in the middle of September. He hoped, therefore, that Governments concerned would get to work at once and begin exchanging ideas.

I asked him if he had any proposals to make about agenda. He said that as arrangements for Conference were now left to United States it would be better to await some communication from that Government. No statement about agenda had been made either to Japanese Ambassador in Washington or by United States Chargé d'Affaires here. I understood that the attitude of Japan will probably be, to some extent at least, negative, but that she would prefer not to formulate her objections beforehand but to await proposal of something to which she feels obliged to object.

¹ No. 328.

² No. 355.

Minister for Foreign Affairs seemed much impressed by passage in your telegram No. 141 saying we have no desire to determine present Anglo-Japanese Alliance without substituting for it something equally good or if possible better. He said that (? I)¹ had not reported this language to him and that he found it peculiarly gratifying.

¹ The text as sent from Tokyo read: 'He said that the Japanese Amb'.

No. 358

*Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 19)*

No. 467 [F 3821/3821/10]

Confidential

PEKING, August 13, 1921

My Lord,

I have already drawn attention in previous communications¹ to the suspicious almost hostile attitude of the Americans towards us in China. Doubtless this feeling may to some extent be a reflex of the wave of anti-British agitation passing over the United States.

But there are other more immediate grounds which may be summarized under the headings of the Anglo-Japanese Alliance, the Cassels concession² and commercial jealousy.

First and foremost is the question of the renewal of the Anglo-Japanese Alliance. Two press quotations from the writings of two of the leading American journalists in China will show the campaign of falsehood with which we have to contend.

Mr. Millard, for many years past editor of the 'Far Eastern Review', is reported in the local press to have telegraphed to President Harding from California where he is on a visit as follows:

'The Far Eastern situation is more ominous than I have ever known it to be. I regard war with Japan as almost certain and rapidly nearing. A renewal of the Anglo-Japanese Alliance on the old lines will surely be directed against America.

'I am convinced the British Government policy in China is opposed to American policy and secretly works against our interests out there. My opinion is that Great Britain is purposely framing up a war between Japan and the United States.'

This telegram was sent in the end of June shortly before the invitations to the Pacific Conference were issued.

On the 16th July there appeared an article in the Chinese paper 'Yi Shih Pao', which is American-owned and conducted by Mr. Burr, the head of the

¹ e.g. No. 292.

² The Provisional Government of Kwangtung had on April 23, 1920, granted a concession for the exploitation of coal in the province to Major Louis Cassel.

Chung Mei news agency in Peking. I will not trouble Your Lordship with the whole article but merely quote one or two extracts:

'International friendship has the least element of permanence. A friendly country today may turn out to be an enemy tomorrow, while a country regarded as hostile yesterday may become a comrade in arms today. In this respect the British people are particularly thoughtful and ambitious. Their friendship or enmity for one country or the other changes so quickly as to baffle our understanding. It is not infrequently the case that the country to whom they prefer to be friendly is really an enemy in its heart. At this moment England is harping on the friendship of America everywhere,' and so on, the inference is obvious.

Later in the same article after discussing the position of the Dominions in the Pacific the writer says:

'If we study the British temperament from its historical background we can say at least this much that if public opinion in the Dominions were not in favour of America, England would view a Japanese-American conflict with smiles, should it materialize.'

But I regret to say that this attitude is not confined to American journalists. The American Legation, arguing it is true from other premises and in a saner spirit, appear to have drawn the same conclusion. In reply to a memorandum by an Englishman out here, drawn up not so much to justify a renewal of the Alliance as to show that a renewed Alliance would not be directed against America, a prominent member of that Legation wrote as follows:

'Our English friend however evades the main issue of the Anglo-Japanese Alliance as it appears to the American resident of the Far East. England is afraid of Japanese aggression and actions in India (the keystone to the British Empire's power) and in Australasia; and today the finances of the British Empire are in no shape to support a navy sufficiently powerful to protect these dominions against the possible hostile actions of a rapidly growing Japanese fleet.

'It is therefore decidedly to England's advantage to renew the Anglo-Japanese Alliance provided it can be practised as in the past, namely, England will condone and wink at any Japanese aggression in China and Siberia, provided of course that Japan will keep her hands off India and Australia. England is perfectly willing to sacrifice her trade in China to Japanese aggression if the peace of India, Australia and New Zealand is assured without the expense of the maintenance of a large Asiatic fleet.

'England also realises that American trade in the Far East is increasing and sooner or later the United States will take Japan to task for her actions on the Asiatic mainland, so why not pass the buck to the United States and let us pull the chestnuts out of the fire for England?'

The idea that it would suit England to see a war between America and

Japan has been sedulously fostered among the Chinese and has no doubt taken root in the minds of many who read the newspapers—not a very large class perhaps but one containing all the elements that go to make boycotts or noisy protests.

Secondly there is the Cassels Concession in its relation to the Consortium and effect on British policy.

At different times last winter visits were paid to Canton by the American Naval Attaché, the Chinese Secretary of the American Legation and Mr. Stevens the American representative of the Consortium who is now about to return to China. The latter's anti-English proclivities have been reported to your Lordship from time to time³ and the two memoranda which he forwarded to Mr. Lamont, and which were communicated by the latter to Sir C. Addis,⁴ would be hard to equal for the spirit they display of unreasoned prejudice and wilful misunderstanding. I have now the honour to enclose copy of an article by Professor John Dewey in the 'New Republic', which has been reproduced in the 'Peking and Tientsin Times' of August 9th.⁵

Professor Dewey is a distinguished man, and passes, I understand, in America as an authoritative writer on Chinese matters. He writes of the Cassels concession in the same strain as Mr. Stevens and deduces therefrom the bad faith of the British authorities and especially of the Hongkong and Shanghai Bank, 'which is the financial power behind the contract and by an ironical coincidence the leading British partner in the Consortium'. He then proceeds to argue that our interests in South China will force us in return for a complacent attitude on the part of our allies in the South to shut our eyes to Japanese aggression in the North. 'By force of circumstances each Government, even against its own wish, will be compelled to wink at the predatory policies of the other and the tendency will be to create a division of spheres of influence between the North and South in order to avoid more direct conflicts.' He concludes his article by the following forecast of what would happen in the event of the Alliance being renewed and war breaking out between Japan and America:

'I do not believe in the predicted war but should it come the first act of Japan—so everyone in China believes—will be to seize the ports of Northern China and its railways in order to ensure an uninterrupted supply of food and raw materials. The act would be justified as necessary to national existence. Great Britain in alliance with Japan would be in no position to protest in anything but the most perfunctory manner. The guarantee of such abstinence would be for Japan the next best thing to open naval and financial support. Without the guarantee they would not dare the seizures of Chinese ports. If the British Foreign Office renew the Alliance they knowingly take the responsibility for the consequences.'

Thirdly, commercial jealousy.

³ See e.g. No. 197.

⁴ These memoranda of Feb. 10 and Feb. 25 are not printed.

⁵ Not here printed.

There is a prevalent idea among Americans that one of the effects of a renewed Alliance will be a mutually beneficial trade understanding between ourselves and the Japanese at the expense of the Americans. They argue that British merchants have had things their own way so long that they have suddenly awoken with alarm to the prospect of serious American trade competition. They but vaguely realise that Americans had golden opportunities during the war of strengthening their commercial position in China, opportunities which they signally failed to take full advantage of, not for want of trying but for want of experience. And for this they blame the British. They do not realise that the difficulties through which American Banks and business houses are now passing are the result of their own inexperience.

American officials are never weary of talking of the open door which we are accused of ignoring. Our opposition to the Federal Wireless Contract and support of the Cassels concession are instanced in support of this view. This is borne out by a Washington telegram of July 26th published in the China press:

‘It is asserted here on reliable authority’, runs the telegram, ‘that the British are no less concerned than the Japanese about the scope and nature of the proposed Pacific and Far Eastern discussion at Washington. Britain thoroughly acquiesced in the original American disarmament proposals, prior to the suggestions for a Washington Conference, but Downing Street it is believed was taken by surprise by the comprehensiveness of Mr. Hughes’ idea in regard to the conference, coupled with the note he wrote on the open door policy in China on the eve of the conference proposals. In this note Mr. Hughes emphasised that the United States refused to be a party to or to acquiesce in any arrangements in favour of any foreign interests of an economic, commercial or territorial character. In this attitude the British at once scented complications for them in the Far East. They are the owners of vast ancient concessionary rights. They have no objection to a discussion of Yap, Shantung and Siberia but they do not want issues which they considered closed long ago again brought up.’

I feel it my duty to call attention to the above as showing the unjust suspicions with which our policy in China is regarded by the Americans and the consequent difficulty of whole-hearted cooperation with them.

I have, &c.

B. ALSTON

P.S. Since the above was written I have received a letter from His Majesty’s Consul General in Canton enclosing some notes on American policy in South China^s which are extremely interesting and bear out the general sense of my despatch that the Americans in China are animated by feelings towards us if not of open hostility at least of undisguised suspicion. To Mr. Jamieson’s notes are attached a memorandum^s by a man whom he

describes as 'one of the most intelligent and fairminded British missionaries in the Province' on the subject of British unpopularity in Kwangtung with special reference to the rise in prestige and influence of America at our expense—a state of affairs which has been fostered by Americans in the Province especially American missionaries.

B. A.

August 14th, 1921.

No. 359

The Marquess Curzon of Kedleston to Sir C. Eliot (Tokyo)

*No. 165 Telegraphic [F 2970/45/10]**

FOREIGN OFFICE, August 16, 1921, 3.15 p.m.

Chinese Eastern Railway.

Department of State have instructed American Ambassador at Tokyo to present the text of the proposed plan, the terms of which are stated in Sir A. Geddes's telegram No. 178 of 31st March,¹ to the Japanese Foreign Office, who are being approached informally in the hope of establishing identity of views in advance of more general discussion.²

In this matter you are authorised to support the American Ambassador, subject to your discretion.

Repeat to Peking.

(Repeated to Washington, No. 513.)

¹ See No. 254, nn. 2 and 3.

² Cf. *F.R.U.S.* 1921, vol. i, pp. 596-7.

No. 360

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received August 18, 10.30 a.m.)

No. 556 Telegraphic [F 3055/991/10]

WASHINGTON, August 17, 1921

Your telegram No. 488.¹

In reply to informal note based on your telegram, official of State Department to-day explained to member of my staff that United States Government felt bound to adhere to their position on three main grounds:

1. Their territorial policy of non-interference with Chinese sovereignty.
2. Their conviction that Chinese Government would not be able to give effect to the proposals of *Corps Diplomatique* and that looting was in any case the work of troops passing through Ichang area, rather than of those stationed there.

¹ Of Aug. 4, not printed. This had instructed Sir A. Geddes to bring the sense of No. 339 above to the notice of the State Department and to ask whether there was any possibility of their reconsidering their decision in view of the attitude of the local Chinese residents.

3. Their fear lest the presentation of demands such as those proposed by *Corps Diplomatique* might lead to anti-foreign movement in the area affected. In this connection their reports lead them to believe that while business and other reputable national² elements favour the creation of international volunteer force for the protection of life and³ property, they would be opposed to the creation of any form of international settlement.

State Department decline to express any opinion as to the expediency of creation of international volunteer force, but contend that the only practicable course is to make representations in the sense outlined in my telegram No. 484,⁴ and trust that effect produced, coupled with naval measures already taken, (? will) preserve order and safeguard foreign life and property.

Should their proposals fail (? however)⁵ (? they have no further) suggestions to make but they would not even then be prepared to join in giving effect to those of *Corps Diplomatique*.

² In the text as sent this word read 'native'.

³ The two preceding words were not included in the text as sent.

⁴ No. 336.

⁵ This word was not in the text as sent.

No. 361

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received August 21, 11.40 a.m.)

No. 308 Telegraphic [A 6099/18/45]

TOKYO, August [17], 1921

Naval Attaché has obtained the following information from naval staff who are working out instructions to be given respecting disarmament to Naval Delegates at Washington.

Disarmament is regarded as feasible and desirable though complicated by many difficulties. Great Britain's decision to proceed at once with the four capital ships and to build in future on one power standard¹ is thought (? perfectly) justified [justifiable]² and it is also considered that we have already reduced our fleet by ceasing to build since the war.

Though there is no clear-cut programme of reduction, fundamental ideas are as follows:

First. [the 8-8]² Programme³ is designed to protect Japan from (? aggression) and so long as political and naval situation remains as it is she cannot do with less.

Secondly. Since Great Britain and United States have declared in favour of a one power standard, this standard can, by common consent, be cut down very low, and if this is done Japan is ready to regulate her naval strength in

¹ i.e. maintenance of sufficient naval strength to enable the British fleet to equal any other fleet.

² Wording as sent from Tokyo.

³ See Vol. VI, No. 774.

comparison. I understand this means that naval staff might be satisfied with a smaller fleet than other powers if they were convinced they are secure from aggression.

They reminded the Naval Attaché that Minister of Marine has said in Diet that he is prepared to cancel some . . .⁴ programme if situation in Pacific justifies such a reduction. Naval Attaché believes that they are anxious to save money for the country but are considering on what they must insist as adequate safeguards.

They said that they regard Guam, Manilla [*sic*] and Hawaii as menaces to safety of Japan but realize that they cannot dictate to United States any more than United States can impose restrictions on our use of Jamaica and Bermuda. If a guarantee could be given that American naval stations on the Pacific will not be further developed it would greatly help matter.

Following are probable naval delegates to Conference.

Vice Admiral Kato, head of naval arsenal [College]² and Captain Yamanashi and Captain Nagano and Captain Uyeda. If we send First Lord of Admiralty Minister of Marine would wish to go but there are embarrassing questions of rank and if Count Chinda were selected as first delegate Minister of Marine would be reluctant to serve under him.

⁴ The text received was here uncertain. The text as sent read: 'of the 8-8'.

No. 362

Sir B. Alston (Peking) to Mr. Wellesley (Received August 19, 11.50 a.m.)
Unnumbered Telegraphic [F 3075/2489/10]

Urgent

PEKING, August 18, 1921, 12 noon

Your telegram of August 13th [12th].¹

Administration of Justice in Modern Courts is inefficient, dilatory and mediaeval both in civil and criminal cases. In criminal cases (? prisoners) are still kept in detention, conditions of which both in their case and in that of untried criminals are worse than those of a European jail. Money or influence alone pave the way, in civil cases, for better treatment while under detention, and for acquittal.

Above is résumé of conditions in modern Courts where such exist. Elsewhere conditions are much as they were 100 years ago; all persons whether in detention or in jail compelled to find their own food or receive barely enough to keep them alive; confinement in unsanitary pens; no medical attendance. *Vis-à-vis* military authorities judicial authorities are powerless, and cases in which former are interested are very numerous. Conditions referred to in Sir J. Jordan's despatch No. 321 of July 10th 1919 last paragraph² still exist. During the last two years little progress has been made in

¹ This unnumbered telegram is not printed.

² This despatch and its enclosure are not printed. The reference appears to be to the

extension of modern Courts of Justice as called for by enclosure to that despatch. My despatch No. 335 of June 20th last contains evidence strongly supporting some of above statements.³

Assumption in the last paragraph of your telegram is correct.⁴

following sentence: 'At the present moment the judicial authorities of this country are largely at the beck and call of the military authorities, with the result that justice is unobtainable in the large proportion of cases in which they are concerned or interested.'

³ Not printed. A memorandum on 'Exterritoriality' (not printed), dated Oct. 10, 1921, and prepared by Mr. Lampson in view of the Washington Conference, referred to Nos. 362 and 354 above and declared that 'these pronouncements . . . should serve to convince the most sceptical that to deprive British subjects in China of their extraterritorial rights in present conditions would be quite indefensible'. Mr. Lampson's memorandum concluded with the following suggestion for a 'practical method of helping China': 'There seems but one practical way of holding out a helping hand to China. The Chinese courts must be gradually trained up to the proper standard. This can best be done by applying the principle gradually. For instance, the question of trade mark law in China is at present under consideration by His Majesty's Government. As matters now stand, where agreement exists between the countries concerned, infraction of trade mark rights is dealt with in the court of the defendant's nationality and according to the law of that court. Thus different law and different penalties may apply in each individual case. A proposal has accordingly been made by His Majesty's Government and is now under consideration by the various British authorities in China, both official and commercial, that China should be urged to pass up-to-date patent legislation acceptable to all the Powers and, by consent, applicable to all nationalities in China alike. For this purpose a draft law has already been prepared by the Board of Trade. Its special feature lies in the fact that all disputes over trade mark matters, irrespective of whether between foreigners or Chinese, shall be subject to decision by a Chinese official (the registrar), assisted by foreign assessors, with appeal to the Mixed Court at Shanghai or to some other similarly constituted judicial body. In other words, that all foreign nationals in China should henceforth be amenable to a form of modified Chinese jurisdiction in trade mark and patent disputes.'

'As already noted, this proposal has not yet been made to the Chinese. But it seems *prima facie* to suggest a line of policy which might profitably be followed as time goes on in other matters besides trade mark law.'

⁴ This read: 'I take it you regard it as impossible to bring foreigners within jurisdiction of such courts [i.e. Chinese courts] in their present state, even if internal situation in China were normal and control of Central Government effective.'

No. 363

*Memorandum by Mr. Lampson as to whether the Anglo-Japanese Alliance should be directly discussed at the Washington Conference*¹

[F 3078/63/23]

FOREIGN OFFICE, August 18, 1921

During the discussion of the Imperial Conference last month (Meeting of July 26th) this point was touched upon. The following is a rough summary of the various views then expressed.

¹ This memorandum was prepared in connection with the debate in the House of Commons on Aug. 18; see No. 364 below, n. 1.

Mr. Hughes² was the first to point out that there was a probability that the relations between our Empire and Japan, as governed by the Anglo-Japanese Alliance, might be brought up for discussion at Washington. He called attention to the fact that there was no hint in the correspondence which had passed with the Japanese Government that the latter were prepared to discuss the Anglo-Japanese Alliance at Washington, whatever form the Conference might take. He pointed out, however, that it was absurd to suppose that it was possible to hold a Disarmament Conference, or that any good would come of it, if the Anglo-Japanese Treaty were not touched upon or discussed.

Mr. Balfour pointed out that the Anglo-Japanese Agreement was a thing purely between ourselves and Japan, and he could not see how it could be formally brought up in any shape at the Conference. Obviously, if the result of the Conference were to make a novel arrangement between the three Powers (i.e. Great Britain, Japan and America), it would follow that we should possibly have to modify existing arrangements, but that was another matter. He for his part suggested to the Imperial Conference that the Anglo-Japanese Alliance could not come up at the Washington Conference *as an item*. Lord Curzon observed that in his opinion what the Americans had in view in calling the Conference was probably two-fold; firstly, they wished to substitute for the Anglo-Japanese Agreement some new document, perhaps an annunciation of principles acceptable to all. America clearly wished to put us in a position where we could, without disloyalty to our Allies, terminate the Anglo-Japanese Agreement and substitute something for it, probably of the tripartite character, of course with the consent of Japan. The second thing they had in mind was a discussion of the Chinese problem. America took an enormous interest in China. She wished to rescue her from what she regarded as the dangerous clutches of Japan, not merely for the sake of China, but with some due regard to her own trade and interests in the future. Both these subjects of discussion involved great difficulty, because the first brought up indirectly the Anglo-Japanese Agreement. The second, on the other hand, opened the door to almost interminable controversy, complicated at the start by Japan's decision not to allow Shantung to be discussed.

Mr. Massey,³ reverting to the same question, agreed with Mr. Balfour that it would be very unfair, so far as the Anglo-Japanese Treaty was concerned, to ask America to join in the negotiations or consultations with regard to it. The subject would be raised, he did not doubt for one moment, but we should not ask America to join in.

Mr. Balfour observed that the subject would of course be in the background of everybody's thoughts, but why raise it? Supposing we make a tripartite agreement between Japan, America and Great Britain on naval matters, that might influence us, but we could not tell.

Mr. Hughes interjected that if we got this tripartite agreement, did not the Anglo-Japanese Alliance rest upon naval power in the Pacific? Should we

² Prime Minister of Australia.

³ Prime Minister of New Zealand.

have another treaty or understanding or declaration of principle? It seemed to him that the Treaty disappeared, though no doubt preceded by some formal meeting or denunciation by agreement.

Mr. Balfour rejoined that if the Treaty disappeared automatically, it obviously could not be discussed; but it should not be one of the items of the Washington agenda.

So far as I am aware, the matter rests at that point and nothing further respecting its discussion at Washington has been decided.

M. W. LAMPSON

No. 364

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received August 20, 11 p.m.)

No. 563 Telegraphic [F 3099/63/23]

WASHINGTON, August 20, 1921 [11.15 a.m.]

Press gives wide space to Prime Minister's suggestion¹ for development of Anglo-Japanese Alliance into an understanding between the three countries. It is generally assumed proposal is for a new alliance based on a treaty and on that assumption comment, while guarded, is on the whole unfavourable. 'New York Times' says that the most that can be looked for is a solemn understanding.

¹ In a statement in the House of Commons on Aug. 18; see 146 *H.C. Deb.* 5 s., cols. 1704-6.

No. 365

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received August 24, 12 noon)

No. 314 Telegraphic [F 3170/2905/23]

TOKYO, August 23, 1921, 1 p.m.

Minister for Foreign Affairs informed me to-day that a reply to formal invitation of United States is still under . . .¹ but will be ready in a few days. He thought it would not enter into any argument about organization² but would merely refer to Japanese Ambassador's³ communication of July 26th mentioned in my telegram No. 281.⁴ He (? paraphrased) the last words of this document as meaning 'not to have been settled at (? Versailles)⁵ or concerning two countries only, such as Japan and China'. I suggested that no really important question (? concerned) (? two) countries only.

¹ The text received was uncertain. The text as sent read 'consideration'.

² The text as sent read: 'about the agenda'.

³ This word was not in the text sent from Tokyo.

⁴ Of July 30, not printed. For the Japanese note of July 26 see No. 350, n. 8.

⁵ The text as sent read: 'matters settled at Versailles'.

He said: 'That is true; we must try to be reasonable.'

He then spoke about meetings to be held at Port Arthur or Dairen with Yurin and said that (? he was) most anxious to come to an agreement with Chita Government which would enable the Japanese Government to withdraw their troops from Vladivostok immediately. I pointed out that all the military arrangements indicated that there was no intention of withdrawing them this winter. He replied with some vehemence that he would withdraw them tomorrow if he could, but that he felt some doubt as to Yurin's power to speak on behalf of Chita Government and as to that Government's authority, though he said it was clear that recent reports of revolutions in its territory were grossly exaggerated.

I mentioned that Your Lordship was distressed at reports as to Japanese feeling mentioned in your telegram No. 168.⁶ He said it was not true that Japanese Cabinet had ever thought Great Britain had failed to consult Japan or give adequate notice of coming proposal for a conference, '(? or) at any rate', he added, 'if we had any such idea it was (? dispelled) (?by) (?you) . . . communicated . . . (? by) me'.⁷

This referred to interview reported in my telegram No. 297⁸ and he repeated very emphatically that Japanese Cabinet had been greatly gratified and reassured by language used by you and by Prime Minister as reported in the press to the effect that we wish to maintain the alliance or substitute something better for it. It has been clearly said in local press that alliance is practically (? dead) already and he indicated that apparently same feeling had been prevalent in official circles and that it was a great relief to find that there is no intention to let it be forgotten.

⁶ Of Aug. 17, not printed.

⁷ The text received was uncertain. The text as sent read: 'it was dispelled when you communicated Lord Curzon's telegram to me'.
⁸ No. 357.

No. 366

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 280 Telegraphic [F 3055/991/10]**

FOREIGN OFFICE, August 26, 1921, 6.30 p.m.

Washington telegram No. 556.¹

Matters have thus reached a deadlock, and to help me to come to decision you should report position. Has outlook improved at all? What prospects are there that your proposals for international settlement at Ichang would be accepted by Chinese Government if we decided to proceed without American co-operation?

What has been arranged as regards naval co-operation?—see last paragraph of my telegram No. 250.²

(Repeated to Washington, No. 533. Repeat to Tokyo.)

¹ No. 360.

² No. 351.

*The Marquess Curzon of Kedleston to Sir B. Alston (Peking)**No. 824 [F 3222/59/10]**

FOREIGN OFFICE, August 26, 1921

Sir,

The Chinese Minister called upon me this afternoon, and, in the course of our conversation, two subjects were touched upon of more than ordinary importance.

Mr. Koo having interrogated me about an absurd rumour concerning the alleged march of British troops into Tibet, I took advantage of the opportunity to hand him a memorandum, about our negotiations with the Chinese Government in relation to that country, which had been prepared in the Foreign Office.¹ In this memorandum it was stated that two years had now elapsed since the Anglo-Chinese negotiations about Tibet, which had been originally initiated at the instance of the Chinese Government themselves, had been suspended by their action, and that His Majesty's Government, unable to acquiesce any longer in these dilatory tactics, must now press for an immediate resumption of the discussions, failing which they could no longer withhold their recognition of the status of Tibet as an autonomous State under the suzerainty of China, and they would have to deal with Tibet on this basis in the future.

I accompanied the presentation of this statement by some explanatory observations. I said that the delay in dealing with the matter had become almost a scandal; that my repeated protests to the Chinese Government had met with no success; and that, unless the Chinese Government were willing to resume negotiations for a tripartite settlement without further delay, say, within one month, we should be compelled to proceed alone. In that case we should regard ourselves as at liberty to deal with Tibet, if necessary, without again referring to China; to enter into closer relations with the Tibetans; to send an officer to Lhasa from time to time to consult the Tibetan Government; to open up increased trading intercourse between India and Tibet; and to give the Tibetans any reasonable assistance they might require in the development and protection of their country. On the other hand, if an amicable settlement of the Tibetan question could be reached with the Chinese Government, we should be glad to give favourable consideration to their proposal to appoint a consular representative who should reside in India. I explained to Mr. Koo that I had fixed the period of a month because Mr. Bell, the representative of the Indian Government in Lhasa, could not stay there indefinitely, and it was necessary to know definitely what the future position was to be before he returned to India.

Mr. Koo endeavoured, in a rather half-hearted way, to offer such apologies for the procrastination of his Government as a ready imagination could suggest. He even expressed a doubt whether the Tibetan matter could be

¹ For this memorandum, see No. 368 below.

taken in hand in Peking while the Government there were overwhelmed by the responsibilities of the impending conference in Washington.

I respectfully declined to accept this plea, on the ground that the Tibetan question had nothing to do with the Washington Conference; that discussions could be resumed at the point at which they had been dropped in 1919;² that you were perfectly qualified to deal with the matter in Peking; and that, if there was goodwill on both sides, the question could be settled in three weeks.

The Chinese Minister alluded to the difference of opinion that had existed about the boundary, and then asked me whether His Majesty's Government, in return for the resumption of the negotiations, would be prepared to accept the Chinese point of view.

To this question I returned an unhesitating negative.

His further question, whether the discussions were to be resumed on the strict basis of the Chinese proposals of 1919, was not received with any more acquiescence by me, since, as I truly remarked, I had not in my mind the exact terms which were then employed.

I think that the Minister ended by realising that His Majesty's Government were in earnest and that the game of shilly-shally could no longer be pursued.

A similar opening was presented to me when Mr. Koo went on to enquire whether any decision had been arrived at as to an acceptance by the Prince of Wales of an official invitation to visit Peking during his forthcoming tour in the Far East.³

I was obliged to tell the Minister that this question had been very carefully considered, but that, while nothing would have given me personally greater pleasure than to recommend a visit by the heir to the British throne to a capital so interesting and a country formerly so closely associated by ties of friendship and commerce with ourselves, I could not honestly advise the Prince to accept the invitation. Such a visit from the heir-apparent must have an official character, in which the Chinese Government would be the hosts and the Prince the guest. Were there in existence in Peking a stable Government to issue such an invitation, a settled Administration which could be responsible for the success of the visit, and a friendly nation to extend a becoming welcome, I should have liked to see the Prince of Wales go to Peking. But unfortunately these conditions could not, for the present, be said to exist. Rarely in the history of China had there been a weaker Government in Peking or a state of greater political chaos in the country. China was hopelessly sundered and enfeebled by rival Governments and political agitations. The various Governors, supported by their military bands, did what they chose, and the authority of the Central Government had almost ceased to exist. A great change must take place in all these

² See Vol. VI, No. 479.

³ H.R.H. The Prince of Wales left for a tour of the Far East in Oct. 1921 and returned to England in June 1922.

conditions before it would be possible for the heir to the British throne to pay an official visit to Peking.⁴

The Minister was much concerned at this intimation, but he did not dispute any of the propositions which I had advanced as to the state of his country. Indeed, when discussing the question of the Pacific Conference a few weeks ago, he had practically made the same admission. He even said that the disappointment that would be caused by the refusal of the invitation might act as a useful stimulus to his Government to adopt a more reasonable and self-respecting attitude in future.

It does indeed seem an unfortunate thing that, at a moment when the Great Powers, notably Great Britain and America, have shown by their action how anxious they are to relax the external shackles that fetter the independence of China, and to give her a chance of accomplishing her own destiny, she should be in a condition of such internal debility as almost to discourage all hope, and to render the efforts that may be made on her behalf well-nigh abortive.

I am, &c.

CURZON OF KEDLESTON

⁴ In a letter of Sept. 5 to Sir B. Alston (not printed) Lord Curzon wrote: 'The Prince himself was keen to go, but it was necessary to explain to him that he could not possibly go *incognito* either to Peking or to Canton—after both of which places he especially hankered.'

No. 368

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 284 Telegraphic [F 3142/59/10]**

FOREIGN OFFICE, *August 27, 1921, 3 p.m.*

Your telegram No. 271.¹

Following is text of memorandum which was handed to Chinese Minister here on 26th August.² You should address identic communication to Minister for Foreign Affairs:

'His Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Chinese Minister, and has the honour to invite Mr. Koo's attention to the Tibetan question.

'Two years having now elapsed since the interruption of the negotiations of 1919, which, it was explained at the time by the Chinese Government, were only temporarily postponed, His Majesty's Government now invite the Chinese Government to resume these negotiations either in London or Peking without further delay.

'In view of the commitments of His Majesty's Government to the Tibetan Government arising out of the tripartite negotiations of 1914, and in view of the fact that the Chinese Government accepted, with the exception of the boundary clause, the draft convention of 1914, providing for Tibetan auto-

¹ No. 333.

² See No. 367.

mony under Chinese suzerainty, and formally reaffirmed their attitude in this respect in their offer of 1919, His Majesty's Government do not feel justified, failing a resumption of the negotiations in the immediate future, in withholding any longer their recognition of the status of Tibet as an autonomous State under the suzerainty of China, and intend dealing on this basis with Tibet in the future.

'At the same time, His Majesty's Government, who remain as heretofore most willing to do all in their power to promote an equitable tripartite settlement, would view with great regret the continued inability of the Chinese Government to co-operate with them in this matter, and in the event of a resumption of negotiations would be prepared to make every effort to induce the Tibetan Government to accept a settlement satisfactory to China on the basis of the draft convention of 1914, modified in accordance with China's wishes as expressed in her offer of 1919.'

Repeated to India.

No. 369

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 285 Telegraphic [F 3142/59/10]**

FOREIGN OFFICE, August 27, 1921, 6 p.m.

My telegram No. 284.¹

The following verbal explanations will accompany memorandum. You should speak to Minister for Foreign Affairs in the same sense:

We had sincerely hoped that China would settle her differences with the Tibetans and do nothing calculated to hinder the development of Tibet. But if the Chinese Government still find themselves unable to resume the negotiations for a tripartite settlement without further delay, say within one month, we shall reluctantly be compelled, in fairness to the Tibetan Government, to proceed in the matter alone. In that case we shall regard ourselves as having a free hand to deal with Tibet as an autonomous State, if necessary without further reference to China, to enter into closer relations with the Tibetans, send an officer to Lhasa from time to time to consult with the Tibetan Government whenever the latter or the British Government consider it desirable to do so, open up intercourse to an increased extent between India and the Tibetan trade marts and give the Tibetans any reasonable assistance they may require in the development and protection of their country.

It will also be explained that His Majesty's Government will be glad to give favourable consideration to the proposal of the Chinese Government to appoint a consular representative to reside in India as soon as a settlement of the Tibetan question has been reached.

¹ No. 368.

Should Minister for Foreign Affairs enquire as to the meaning of the time limit of one month, you should explain that Mr. Bell is shortly returning to India and that His Majesty's Government desire to know definitely what the future position is to be before he leaves Lhasa.

Repeated to India.

No. 370

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received August 31, 11.30 a.m.)

No. 334 Telegraphic [F 3258/991/10]

PEKING, August 30, 1921, 8.45 p.m.

Your telegram No. 280.¹

The position is that diplomatic body have accepted on August 23rd text of draft note to Waichiaopu based on United States Chargé d'Affaires' instructions from (? Government).² Note, which is being presented immediately,³ warns that the Powers:

1. Insist that Chinese Government hold the military authorities personally and individually responsible for damage to foreign interests caused by action, or failure to act, of their troops.

2. Will refuse asylum to any Chinese official adjudged by diplomatic body guilty in manner indicated.

3. Reserve the right to exact damages from Central Government for injuries resulting from neglect of present warning. Recent mutinies are to be included in scope of warning.

This warning is recognised by my principal colleagues as being probably of small efficiency, but has been *faute de mieux* . . .⁴ as a tentative measure and with a view to maintaining unanimity. As regards the three questions in your above-mentioned telegram:

1. No improvement.

2. Chinese Government's acceptance could in any event be secured only by *force majeure*.

3. Naval commanders are in close touch with each other and details of co-operative action are worked out as and when called for.

Commander-in-Chief, whom I saw recently, agreed with me that this arrangement is more satisfactory than any hard and fast scheme which might tie our hands.

Repeated to Tokyo.

¹ No. 366. See also No. 351.

² See No. 336.

³ For the text, see *F.R.U.S.* 1921, vol. i, pp. 517-18.

⁴ The text received was here uncertain. The text received at Tokyo was also corrupt.

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received September 1, 2.35 p.m.)

No. 337 Telegraphic [F 3268/59/10]

PEKING, August 31, 1921, 10 p.m.

Your telegram No. 284.¹

I handed copy of memorandum to Minister for Foreign Affairs this morning and spoke to him in the sense instructed. He stated that he had only received a short telegram from Dr. Koo on the subject of his interview with Your Lordship and was expecting a longer one. He was therefore unable to give me an immediate answer.

During the conversation Minister for Foreign Affairs remarked that moment did not seem to him very opportune for reopening of Thibet negotiations; he hardly saw how he could find time for them, being so occupied with preparations for Pacific Conference. I remarked that I had frequently, since my return last December, pressed for the resumption of negotiations, and had warned him that His Majesty's Government would not wait indefinitely.

Minister for Foreign Affairs asked why it was that we were so anxious to dispute question of *Eastern* frontier of Thibet. I replied that our one idea was to secure peace and order in Thibet and on all her frontiers with a view to peaceful development and internal progress of the country. Minister for Foreign Affairs further asked whether we really thought the Thibetans capable of governing themselves, to which I replied that they had managed to govern themselves successfully for the past ten years, which was more than could be said of some neighbouring countries, that at any rate they did not have revolutions, and that there was no brigandage in the country.

Minister for Foreign Affairs then asked what was meant by autonomous Thibet. I instanced our self-governing dominions, to which he retorted by enquiring whether we thought Thibet capable of governing herself in a modern way such as those countries do. Minister for Foreign Affairs also said that we wished to depart from our previous policy and to open up and develop Thibet. I replied that we wished to see Thibet develop herself; we did not wish to sterilise her.

Minister for Foreign Affairs further enquired: 'What if Japanese bring up Shantung question at the same time?', to which I replied that there was no analogy between the two questions; this his Excellency admitted, but insisted that Japanese were sure to ask the question as to what was going on.

I suggested that in that case he should refer them to the British Government.

I placed myself at His Excellency's disposal if he would summon me as soon as he was in a position to reply.

This and telegrams containing your instructions sent to Tokyo by post.
Repeated to India.

¹ No. 368.

*Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received September 9, 3.52 p.m.)*

No. 355 Telegraphic [F 3385/59/10]

PEKING, September 8, 1921, 8 p.m.

My telegram No. 337.¹

At weekly reception yesterday Minister for Foreign Affairs stated that proposal of His Majesty's Government for resumption of Tibetan negotiations had received careful consideration of Chinese Government. His colleagues were as anxious as himself for a settlement but it did not seem possible to negotiate either here or in London at present moment. If he went to Washington as appeared probable he would have to start in about three weeks.

Dr. Koo was in Geneva and would later be going to Washington.

Apart from question of negotiators he did not see how Chinese Government could deal with the question when Szechuen and Yunan were not (? within their) control. Furthermore Chinese Government at present time was far from being as strong as it was in the time of Yuan-Shih-Kai and Tuan-Chi-Li² and yet under neither of those strong men had it been possible to reach a settlement. It was a big question and it appeared to him and his colleagues that to attempt to settle it now might be to the disadvantage not only of China but of Great Britain. Negotiations themselves would put an additional weapon into the hands of the opponents of the Government with likely result that latter would be turned out. His Excellency contrasted this action with frequent affirmation of desire on the part of His Majesty's Government for a strong and united China and their avowed intentions to assist Peking to that end; incidentally (apparently oblivious for the moment of Tibet) His Excellency remarked that Government was in considerable difficulties: there had been difficulty in inducing Premier to stay; in three or four weeks there might be a change of Government. This likewise made time inopportune for negotiations, and I pointed out to Minister for Foreign Affairs that all that he said showed how regrettable it was that no attention had been paid to our frequent suggestions for resuming negotiations when these difficulties had not been present; His Majesty's Government had always been anxious for settlement. Minister for Foreign Affairs repeated that Chinese Government had also been eager when the time was opportune. His Excellency again asked why it was that His Majesty's Government were so urgent for settlement now. I repeated explanation that Mr. Bell was about to leave Lassa [*sic*] and that they wished to know definitely what future position was before he left. His Majesty's Government had waited for years and did not propose to wait indefinitely.

Minister for Foreign Affairs expressed hope that His Majesty's Govern-

¹ No. 371.

² Amended on the Confidential Print to read 'Tuan Chi-jui'; see No. 3, n. 2.

ment and I would view sympathetically position in which China found herself. Her relations with Great Britain were never better and Tibet was only bone of contention, which he was sure he and I could settle at an opportune moment. I said I appreciated and sympathized in China's difficulties and would inform Your Lordship of answer which His Excellency had given me—but I felt obliged to warn him that His Majesty's Government might consider themselves free to make such arrangements with Tibetan Government as they thought fit and to ask for written guarantee against encroachment on frontier.³

In reply to His Majesty's Embassy's [Legation's] enquiry His Excellency said that he had received a further telegram from Chinese Minister at London and that it corroborated all that I had said to him last week. I presumed that he was telegraphing to London purport of reply which he had now given me and he said he would do so, but doubted whether Chargé d'Affaires would be able to represent it adequately in Dr. Koo's absence.⁴

Repeated to Tokio.

³ In his immediately following telegram, No. 356 of Sept. 8 (not printed), Sir B. Alston said that: 'argument as to Conference is a . . . serious one. It is undoubtedly true that whole Chinese Foreign Office are busily preparing China's case for Conference and Minister for Foreign Affairs is being pressed to attend it. It seems therefore worth consideration whether I should not be authorised to tell Minister for Foreign Affairs that His Majesty's Government are prepared to admit excuse of Conference and to defer negotiations until its close. . . .' He made the same point (that the Conference excuse was a genuine one) in an unnumbered private telegram of the same date to Sir W. Tyrrell.

⁴ The Chinese Legation communicated to the Foreign Office on Sept. 12 an *aide-memoire* (not printed) conveying the purport of the Chinese Government's reply. In the course of a minute written two days later Lord Curzon wrote: 'If we were to yield at the first groan from Peking then I ought never to have threatened Mr. Koo.'

No. 373

Memorandum by Mr. Ashton-Gwatkin respecting Japan and the East Indies¹

[F 3600/901/23]

FOREIGN OFFICE, *September 8, 1921*

SUBJECT MATTER

1. Japanese Relations with the Dutch East Indies
2. Japanese Spies
3. Japanese Population
4. Japanese Ambitions
5. Japanese Economic Expansion
6. Japanese Agricultural Interests
7. Oil
8. Japanese and Native Unrest

¹ For reasons of space it has been possible to print here only the table of subject-matter and the conclusions of this lengthy memorandum.

9. The Defence of the Islands
10. Japanese-Dutch *Entente*
11. Japanese in British North Borneo and Sarawak
12. Conclusions

Annex A. Japanese Estates in the Dutch East Indies

Annex B. Significance of the geographical distribution of Japanese Estates and Settlements

Annex C. Japanese Estates in British North Borneo and Sarawak

Annex D. Native Unrest in the Dutch East Indies

Annex E. A Plan for Japanese Colonization in British North Borneo

Annex F. Japanese in British New Guinea

Annex G. Borneo: Report of H.M.S. 'Hollyhock'

12. *Conclusions*

The war has resulted in a change in the relations between Japan and the Dutch East Indies. This region of 47,000,000 people has been definitely brought into the radius of the Japanese economic sphere. It has become Japan's fourth most important export market; and the Japanese authorities have determined to preserve and extend this market.

Its importance to the Japanese is further increased by the fact that it is the nearest abundant source of oil and oil fuel.

The Japanese appear to have no definite political ambitions in this region. But they are obsessed by the idea that their country is one day destined to be mistress of the Pacific and of its islands. They regard Holland as a very weak power, and her colonial empire as doomed to disruption. Japan must have a say in the disposal of this rich empire. So she is steadily increasing her knowledge of the country, her vested interests therein, and the numbers of her merchants and colonists. She would seem to be looking towards Borneo and Celebes as her eventual share, rather than towards Java (which would become independent) or towards Sumatra (which would revert to the British).

There is no reason to believe that Japanese are instigating native agitation. But they evidently keep themselves well informed about the native movements, which they watch with interest.

The natives dislike the Japanese, and have no wish to change to Japanese allegiance. Native leaders would no doubt gladly get support from Japan—or from anywhere else; but their strong communist leanings would make such co-operation difficult.

The Dutch dislike the Japanese and are afraid of them. They are under the impression that the Dutch East Indies are greatly coveted both by the British and the Japanese. It is reported that this matter is openly discussed, and public opinion is in favour of British as opposed to Japanese acquisition should matters come to a head. It is suggested that a denial of the idea that Great Britain has any designs in the Dutch East Indies would go a long way towards the complete dissipation of any anti-British feeling which still exists.

The Dutch on the whole believe in the probability of an American-Japanese War and in the likelihood of their own possessions being involved.

Both H.M. Consulate General at Batavia and H.M. Naval Authorities have vouched for the increasingly cordial attitude of the Dutch towards the British. Mr. Consul-General Crosby, indeed, contrasts his pleasant relations in Batavia with his less pleasant ones in Saigon, where the French are much more anti-British. The British Governor of the Straits Settlements and the Dutch Governor-General have exchanged visits. As the traditional attitude of the Dutch towards our position at Singapore has been one of envy and distrust these symptoms are most gratifying; for the interests of the British and the Dutch are essentially similar, and we are clearly concerned in the maintenance of Dutch rule and of the prestige of the White races in the archipelago.

The present hectic cordiality in the relations between the Dutch East Indies and Japan is due to the Dutch preference for maintaining their own position by finesse and by balancing the power of conflicting rivals. Certain leading Dutch authorities consider that Japan is necessary to them to counter-balance the influence of Great Britain and America;² but this policy, which seems a dangerous one, is not endorsed by the majority of Dutch residents in the Dutch East Indies.

The danger of the position in the Dutch East Indies does not come at present from the Japanese, but from the native and communistic agitation in Java (see Annex D). With the Philippine islands, the Dutch East Indies and British India all on the way towards autonomy, the future of South-East Asia is in an unsettled condition and requires careful and anxious watching. The result of a further upheaval, such as a Japanese-American War, might be most unwelcome both to us and to the Dutch.

The subject of this Memorandum is of importance with regard to our position at Singapore, which is becoming the centre of our position in East Asia. Its immediate connection with the question of the defences of Singapore and the Japanese position in the Rhio islands, has been fully examined in my memorandum on the acquisition of the Rhio islands.³ A map of the Dutch East Indies is to be found in that memorandum.

F. ASHTON-GWATKIN

² A note in the original memorandum here reads: 'The controversy between Japan and the U.S.A. over the disposal of the Yap cables has also its bearing on Dutch-Japanese relations. These cables were originally the property of the Deutsch-Niederlandsche Telegraphen Gesellschaft, a Dutch-German company. Holland therefore has an interest in the Menado-Yap, Yap-Shanghai, and Yap-Guam cables. This was the subject of an interpellation in the Dutch States-General on 25th March, 1921. It has been suggested that if Japan agrees to allow the U.S.A. to control the Guam-Yap lines, Holland should take over the Menado-Yap line.'

³ No. 321.

No. 374

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received October 24)

No. 452 [F 3885/201/23]

TOKYO, September 9, 1921

His Majesty's representative at Tokyo presents his compliments to the Secretary of State for Foreign Affairs and has the honour to transmit herewith a copy of report No. 42 from the acting military attaché at this Embassy, respecting the political views of Japanese officers.

ENCLOSURE 1 IN NO. 374

Major Marsden to Sir C. Eliot

Secret

TOKYO, August 30, 1921

Report No. 42.

Sir,

I have the honour to submit herewith some notes on the views of Japanese officers and others on foreign politics which I have received from Captain K. S. Morgan, 23rd Sikh Infantry, who has recently concluded a period of attachment to the 24th Japanese Infantry Regiment at Fukuoka.

The views quoted tend to be extravagant but may be of interest in that they embrace ideas current in the Japanese Army.

(Copy to C.G.S., Simla.)

I have, &c.

J. W. MARSDEN, Major,
Acting Military Attaché

ENCLOSURE 2 IN NO. 374

Japanese Officers on Politics

The following are recorded as giving perhaps some idea of what Japanese officers think of present-day questions:

Yap

On the 26th March Lieut. Li¹ told the writer: 'The reason why Japan is holding out on the Yap question is that America is trying to ring Japan in in a vast semicircle—Philippines, Guam, Hawaii, Alaska, Siberia. Yap is the way out—a hole in this semicircle.'

Captain Mishima on the 25th May confirmed this idea which he said was known amongst Japanese as *Shimen Soka*; Lieut.-General Sato discusses this idea in his latest book *Norowaretaru Nihon*.

¹ A note in the filed copy here read: 'A Korean officer attached to the 24th Infantry Regiment.'

War with America

At a regimental dinner on the 9th April Lieut. Li (who had drunk a great deal of sake) told the writer:

- '1. Japan's idea is to get control of the whole of China.
- '2. The trouble with America is that Japan is ousting America's trade.
- '3. Japan proposes to annex Manchuria; she must have Manchuria to guarantee her food supply.
- '4. War is certain to break out in 1923, 1924, or 1925 (*kanarazu okoru*). Japan means to get her blow in first before America is ready. Her whole training is directed to this end.
- '5. The Provincial [?Provisional] Government of Korea² is in straits for money, but if war breaks out she will immediately start in on guerilla warfare with 300,000 men. Against this number Japan's 3 Divisions would be able to do nothing. Some of the officers of the Provincial Government's army have been trained in Japanese and European military schools.'

Again, on the 16th April Lieut. Li said:

- '1. When war breaks out Japan will immediately occupy Kamchatka, the Maritime Province, and Manchuria in strength and wage a defensive war.
- '2. Even now earthworks are being constructed in these districts.'

Note. Whilst on this subject of 'War with America' the writer quotes a conversation he had with Lieut.-Commander McLaren, American Assistant Naval Attaché, on the train to Tosu on the 20th March. Lieut.-Commander McLaren said:

- '1. All our information points to war with Japan in 1923 or 1924.
- '2. As I figure it out, Japan is working up for a big *coup* in China or Siberia in 1923 or 1924. If she does this there will of course be immediate protests from Great Britain and our people. Our people can go to war or they *may* clear out of China and withdraw all interests as they did in 1913. In this case you will be the people standing in Japan's way. Trouble between you people and Japan may not come for 40 years but when it does these people will organise a mutiny in India. India is their final aim.
- '3. Japan wishes to become absolute master of the East. What we are trying to do is to educate the young Chinese up so that in time they may perhaps be able to organise themselves to some extent—if ever—to stand up to these people. But one can never tell what the American Foreign Office will do—its policy changes with every change of president.
- '4. The Japanese are working all up the Kamchatka coast and are trying to fortify Petropavlo[v]sk.
- '5. 12 more Japanese spies went over in January this year in the guise of students; their instructions were to report everything through their consuls.

'6. What I am at present worrying about is "How to get information out of this country in war time". All information would of course have to go

² A Provisional Government of Korea was established at Shanghai.

through Shanghai—Chinese and Koreans would be best. I'm going to set up a system during the next 3 or 4 months and work it for a year—with blank pieces of paper.'

India

On the 26th March Lieut. Li told the writer in the course of conversation: 'Japan's final diplomatic objective is India. If a war ever occurred between England and Japan, India would go up like a flash (*patto*). Japanese propaganda work is done here—not in India. The leading extremists are always travelling round to various countries and when they come to Japan then' (here he stopped).

The writer laughed at this, but Lieut. Li continued: 'Well. You know what General Akashi did in Poland during the Russian war.'³

³ General Akashi had been director of Japanese psychological warfare during the Russo-Japanese War, 1904–5. For the future Marshal Pilsudski's schemes for aiding Japan during that war, see W. F. Reddaway, *Marshal Pilsudski* (London, 1939), p. 44.

No. 375

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received September 16, 11 a.m.)

No. 352 Telegraphic [A 6726/18/45]

TOKYO, September 13, 1921

My telegram No. 308.¹

Naval Attaché reports further as follows:

Though it has not yet been announced officially, Minister of Marine will head Japanese delegation to Washington. Naval circles are optimistic about naval disarmament and it is the considered opinion of the Minister of Marine and the naval staff that an arrangement can be made which will materially benefit all three countries.

Minister of Marine is in full personal agreement with the Cabinet, who consider that certain safeguards which he will demand will assure the defence of the Empire even if reductions are made.

No definite suggestions are as yet put forward as to the method of limiting naval armaments but following proposals have been considered:

1. Abolition of capital ships.
2. Limitation of tonnage to be built per annum.
3. Limitation of financial outlay.
4. Prohibition to build ships of more than a certain tonnage. Abolition of submarines and mines has not been discussed and it is considered that mines will always remain weapon of weaker Powers.

Naval Attaché gathered that the Minister of Marine and Minister of War are in agreement in the Cabinet on naval policy, and was assured that though

¹ No. 361.

the army might appear not to be in sympathy with disarmament they would not try to interfere and would not be tolerated if they did try.

Naval staff impressed Naval Attaché that they regarded the Conference as a golden opportunity which must not be missed and that if it failed things would be worse than before.

I was told at Ministry of Foreign Affairs yesterday that the appointment of the Minister of Marine as principal delegate is not yet certain but I think it very probable. It is an open secret that the Minister for Foreign Affairs wants to go himself.²

² In his telegram No. 364 of Sept. 21 (not printed) Sir C. Eliot reported that Vice-Admiral Kato, President of the Higher Naval College and 'head of technical naval delegates to Washington', had that day called upon him 'and repeated most of the information' given in the foregoing telegram (i.e. No. 375).

No. 376

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received September 21, 11.40 a.m.)
No. 359 Telegraphic [A 6866/18/45]

TOKYO, September 17, 1921

Minister for Foreign Affairs informed me today that Japanese Government are still studying list of agenda for Washington Conference communicated by United States Chargé d'Affaires. They found document rather embarrassing since, though it apparently propounds general questions, as Japanese Government had desired, it is so worded as to permit of discussion of matters of detail which would be distasteful to Japanese Government and in any case lead to prolonged and unprofitable debate. He thought that Great Britain might sympathize with Japanese view since he saw no reason why conference should not claim the right to settle Tibetan question.

He could not define attitude of Japanese Government until committee, which is now studying agenda, has completed its report, but speaking for himself, and he thought for the majority of his colleagues, he held strongly that Japan could not permit conference to call in question Sino-Japanese Treaty of 1915. He preferred to call it so and disliked expression 'twenty-one demands.' Japanese Government was prepared to negotiate with China and possibly to waive or vary certain stipulations of that treaty, but not to admit that it was invalid.

Should Shantung question be raised at conference Japanese Government might be willing to explain their views and proposals but they were not prepared to obey decision of conference.

He was most anxious to learn your views about the agenda as he had heard nothing from Baron Hayashi whom he believed to be at Geneva.

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

*No. 560 Telegraphic [A 6804/18/45]**

FOREIGN OFFICE, *September 18, 1921, 6 p.m.*

Your telegram No. 600 of 12th September: Washington Conference.¹

1. What general procedure do the United States Government contemplate for the conference or conferences? Is Disarmament Conference to follow Pacific Conference or *vice versa*, or are they to be held simultaneously by detachments of the national delegations sent to Washington? Do United States Government propose to discuss air as well as naval and military armaments?

2. As the United States Government are communicating their agenda to China and all the other Powers invited, His Majesty's Government do not feel called upon to anticipate the discussions at the conference by making any observations thereon, but it should be clearly understood by the United States Government that we cannot discuss the Anglo-Japanese Agreement or any matters of Pacific policy affecting the safety of the Pacific dominions and India at a conference attended by five or eight Powers, two or five of which have no interest or responsibility in the Far East comparable with our own and no forces there of any sort. Such a discussion can, in our opinion, be conducted with profit only between the three great naval Powers, namely, the United States, Japan and ourselves, and only at a conference of principals.

3. We also consider that Panama Canal tolls should be included among subjects for discussion 'if not previously settled'.

4. Your telegram No. 599.² Subject to reservation in paragraph 2 above, we leave to the sole discretion of the United States Government what Powers are to be invited.

5. The Prime Minister deeply regrets his inability to attend any conference at Washington this year, as there are so many questions of urgent importance requiring his presence in England. Even if the Irish question is settled, his presence will be necessary for dealing with the difficulties arising out of unemployment and general privations which must inevitably arise this winter, &c.

6. We may wish to send up to six representatives, and will let the United States Government have the names as soon as possible, but must first communicate with the Dominions and India.³

(Repeated to Tokyo, No. 193.)

¹ Not printed. This contained the U.S. Secretary of State's 'tentative suggestions as to agenda for conference', as listed in *F.R.U.S. 1921*, vol. i, pp. 67-68.

² Of Sept. (? 12), not printed. In this Sir A. Geddes reported Mr. Hughes's desire to learn as soon as possible of H.M.G.'s decision 'as to the admission to the forthcoming conference of Belgium and the Netherlands, in so far as refers to Far East questions'.

³ Foreign Office telegram No. 561 of Sept. 18 instructed Sir A. Geddes to 'make an urgent communication to the United States Government in the sense of my immediately preceding telegram, except paragraphs (2) and (4) in regard to which we must first ascertain the views of Japan'.

No. 378

The Marquess Curzon of Kedleston to Sir C. Eliot (Tokyo)

*No. 195 Telegraphic [A 6804/18/45]**

FOREIGN OFFICE, *September 18, 1921, 6 p.m.*

My telegrams No. 560¹ and 561 to Washington.²

Inform Japanese Government that we are most anxious to ascertain their views on agenda proposed by the United States Government before replying to that Government.

Obviously we cannot commit ourselves without a previous understanding with Japan.

¹ No. 377.

² See No. 377, n. 3.

No. 379

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received September 22, 9.10 a.m.)

No. 609 Telegraphic [A 6911/18/45]

WASHINGTON, *September 21, 1921*

Your telegram No. 560.¹

I have made communication as instructed² with the following results:

Your telegram No. 560.

Paragraph 1. General procedure to be on line adopted by Supreme Council for their meetings with any necessary modification approved by Conference.

There is nominally only to be one Conference but Mr. Hughes hopes early in the meetings it will be possible to set up some technical committees to work on subjects related to disarmament in order to appease popular expectation and then to proceed in main meetings with consideration of Pacific problems.

It is intended to discuss air armaments under heading of 'Ruling for control of new agencies of warfare', see draft of tentative suggestions as to agenda for conference of limited armaments heading 2.³

Paragraph 3. Mr. Hughes while expressing himself as unwilling to limit or suggest limited discussion clearly hopes that this will not be enforced. It is quite clear that if question of Panama Canal tolls is raised there will be violent controversy in American press and in Congress.

I think it would be unwise to insist on inclusion of this subject in advance of Conference as its inclusion might well jeopardise acceptance by Congress of other valuable results.

Paragraph 5. Mr. Hughes expresses great, and I am sure wholly sincere, regret that Prime Minister cannot attend Conference at Washington. I have no hesitation in saying, in present temper of America, presence or absence

¹ No. 377.

² See No. 377, n. 3.

³ See No. 377, n. 1.

of Prime Minister for few days at opening of Conference may make all the difference between success and failure.

I hope circumstances may be such that it will prove possible for Prime Minister to reconsider his decision and come to Washington for even four or five days in November.

Paragraph 6. Communicated.

No. 380

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received September 22, 1 p.m.)

No. 610 Telegraphic [A 6915/18/45]

Confidential

WASHINGTON, September 21, 1921

There has been complete change in the atmosphere at the State Department and soreness and suspicion engendered in July by the insinuations of United States Ambassador in London over the whole conference proposal have vanished.

As a result of a variety of causes, not least of which is slump in Sinn Fein activity in the last few weeks,¹ influences in public life which favour Anglo-American co-operation are in the ascendant. Another influence at work is that produced in the public mind by the publication of Mr. Page's letters in magazine 'World's Work'.²

Result, whatever the cause, in its entirety is that Mr. Hughes is now I am sure sincerely and strongly hoping that understanding (and) co-operation between Britain and America will mark conference.

I have talked the whole matter over with him. He spoke throughout with the utmost frankness but as our conversation on this point lasted for over an hour and a half I cannot pretend to reproduce it verbatim or even in its entirety. Following are however the salient points.³

United States Government desire to arrive at clear and frank understanding with His Majesty's Government on which it can base a policy of general co-operation in future. It does not regard such an understanding as in any way necessarily directed against Japan, that is to say United States Government does not envisage British Empire as being faced with the dilemma of a choice between American and Japanese friendship, but it does desire to feel that United States and Britain are neither playing (? Japanese) nor (? British) off against (? the other) one of (*sic*) themselves. Mr. Hughes expressly said that in his considered judgment frank Anglo-American co-operation was essential to economic future of America and that he hoped

¹ The activities of Sinn Fein (the Irish Republican party) had decreased in consequence of Mr. Lloyd George's recent invitation to them to send representatives to a conference to discuss the future association of Ireland with the British Empire.

² Cf. No. 381 below. Mr. Walter H. Page, formerly editor of *World's Work*, had been U.S. Ambassador in London, 1913-18.

³ For Mr. Hughes's record of the conversation, see *F.R.U.S.* 1921, vol. i, pp. 71-74.

that one of the results of Washington Conference would be formulation of a tripartite agreement between United States, Great Britain, and Japan on the subject of (? East) Asiatic and Pacific policy. Mr. Hughes also said that he realized fully that such an agreement could only come out of private discussions between United States, Great Britain and Japan—discussions from which all other Powers would have to be excluded.

This appears to me to be (? satisfactory) and hopeful. I have no doubt whatever that suspension of tariff measure⁴ and delay with regard to provision of powers to Treasury to take steps to deal with debt⁵ are moves to provide United States Government with weapons to use during and after the conference if they fail to get the sort of Anglo-American-Japanese Agreement they envisage. We have to remember that Republican Party is relying on this conference, either by its . . .⁶ success or by its failure, to give them plausible excuse for drastic anti-foreign action to provide them with means of victory at next year's Congressional elections. This is the strength of our position, for Americans know that vigorous anti-foreign economic action will reflect back into their own industrial and economic life and naturally they will be loath to take it.

It is now however quite clear that United States will welcome co-operation with us at the conference and that France, Italy, and other nations will not be intrigued with by her against us if we are frank and friendly.

It is also quite clear that so far as general principle is concerned Mr. Hughes will welcome a tripartite agreement arrived at by United States, British and Japanese Governments in private negotiations at Washington when delegations for big conference are here.

This situation is better than I had almost dared to hope for when the misunderstandings of July confused the whole issue. I think that ground which was then lost through Harvey has been fully recovered and trust that no effort will now be spared on our part to make conference the success which I am convinced it can be made if we are so determined.

⁴ The United States Permanent Tariff Bill (the Fordney-McCumber Bill), introduced on July 29, 1921, did not become law until Sept. 21, 1922.

⁵ A bill to confer full powers upon the U.S. Treasury to conduct negotiations for the funding of the war debts incurred by foreign governments had been introduced in June 1921, but it was subsequently rejected by Congress, which by an act of Feb. 1922 was to entrust the task to a specially created World War Foreign Debt Commission.

⁶ The text is here uncertain.

No. 381

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received October 1)

No. 978 [A 7148/18/45]

Confidential

WASHINGTON, September 21, 1921

My Lord,

It appears that Your Lordship should have in your possession, for the

possible use of the Delegates to the Washington Conference, a recent review of the state of opinion in the United States of America.

To follow the changes of opinion throughout the country has been no easy task. For months there has been no discoverable nation-wide point of view on matters of international concern. New England, the South, the West, the Middle West, the North West have been absorbed each in their own economic troubles or in their sports and pastimes. Irish Americans, German Americans, all sorts of Americans have had their special interests and angles of vision. The wealthy, the wage earners, the farmers have each had their special difficulties to meet. So it has gone on. There have been countless points of view in America but no American opinion.

The result of all this ebb and flow and change of sectional opinion has been to make the judgment of transient visitors even with wide experience of America as worthless as an index of American opinion as the statements of individual Americans visiting London. These, inevitably, can only present the view point of their own section of the American population and there has been for months no common denominator between the outlook of a wealthy Virginian of English stock and that of the wage earner of Scandinavian or German stock in Chicago or St. Paul. In other words, for months, since in fact the great American resolve that 'Wilson must go' became effective, no question has been sufficiently acute in the American mind to cut through the crust of sectional interest.

Gradually at first, but with gathering momentum, the interest in the problems to be discussed at the Washington Conference as they affect the interests of each have [*sic*] begun to penetrate the American consciousness and now again an American point of view is emerging.

Partly as a result of the sudden slump in pro-Sinn Fein sympathy produced by the publication of the correspondence between the Prime Minister and Mr. de Valera,¹ partly as a result of the dawning understanding of the economic situation of the United States, partly as the result of the fact that the vast majority of America's financial and industrial leaders are definitely pro-British and do not hesitate to say so or to suggest that improvement in the economic situation must come, and can only come, through Anglo-American cooperation in world affairs, partly as the result of the intense dislike of the French people felt by many ex-soldiers who served in France, partly because of the speeches of the Dominion Premiers at the Imperial Conference in London and the slow public realization that Anglo-American relations include the relations between the United States and Canada, New Zealand, Australia and South Africa as well as those with the British Isles and partly for other reasons unnecessary to specify, there is growing in America a widespread desire for the effective cooperation of the English speaking peoples. This can be encouraged or discouraged by the action of the British Delegates to the Washington Conference but of one thing I feel

¹ This correspondence had been printed in *The Times* at intervals between Aug. 15 and Sept. 20. Cf. No. 380, n. 1. Mr. E. de Valera, Member of Parliament for East Clare, had been President of the Irish nationalist Sinn Fein movement since 1917.

sure and that is, if no untoward incident happen before the Conference meets, the meeting will convene in an atmosphere charged, so far as American public opinion is concerned, with the expectation that Britain and America will find themselves standing together as the leaders of the world in the direction of world peace.

That vague generalization, the typical American, is a being compounded of contradictory traits. He can be ruthless, not too scrupulous in business and blatantly Chauvinistic but he is also a great idealist with a simple but sincere faith in the ultimate triumph of righteousness. One of his ideals is to be a good neighbour and a good citizen, to play for his town's glory and development.

Within recent months the conception of the English Speaking People as a world unit has begun to lay hold of his imagination. He is already half prepared to transfer some of his allegiance to that ideal unit which to him has a vitality that the League of Nations lacks. In season, perhaps sometimes out of season, for eighteen months I have preached the doctrine of the fundamental unity of the ideals of the English Speaking Peoples. From countless channels the same idea has been injected into the American mind. It has been interesting to feel the changing response to the suggestion of the existence of this fundamental unity. What was novel is now familiar. What used to awaken some suspicion of a trap, is now accepted as an axiom.

At this psychological moment the magazine, the 'World's Work', has begun the publication of Mr. W. H. Page's letters to ex-President Wilson and Colonel House.² I find that two paragraphs from those letters are sinking deeply into American minds. The first is from the undated extract from a letter published on page 335 of the English edition of the 'World's Work' for September 1921 as follows:

'What are we going to do with this England and this Empire presently if ever economic forces transfer the leadership of the race from them to us? How can we lead it and use it for the highest purposes of the world and of democracy?'

The other paragraph is the second in Mr. Page's letter of October 23rd 1913 to President Wilson:

'The future of the world belongs to us. A man needs to live here, with two economic eyes in his head, a very little time to become very sure of this. Everybody will see it presently, if these English continue spending their capital as they are now doing, for it has given them their vast power. Now what are we going to do with the leadership of the world presently when it clearly falls into our hands? And how can we join hands with the English for the highest uses of democracy?'

These paragraphs may appear in different lights to different English readers. To thoughtful Americans, reading them at this time, they are almost

² Cf. No. 380, n. 2. Col. House had been one of President Wilson's chief unofficial advisers.

as a voice from the grave warning them of coming responsibilities. I have little doubt that something of the increasing sobriety of American thought with regard to the Conference, finds its spring in these two arresting paragraphs in Mr. Page's letters.

Today I have been interviewed by a most devout minister, representing the Federation of Protestant Churches, on the subject of continuous prayer during the sitting of the Conference. I am inclined to believe that this idea will be adopted in some form and the delegates may well find themselves when they arrive here in an atmosphere poignantly religious.

So far I have spoken of the American Public as it faces the Conference. It remains to add that it is passionately trustful in Mr. Hughes.

The State Department is showing itself responsive to the growing volume of consciousness of an English Speaking Unity. Mr. Hughes with his intense legalistic mind does not react easily to emotional stimuli but even to him the sense of fundamental Anglo-American unity in ideal, makes its strong appeal.

In dealing with him it has to be remembered first that he himself easily becomes excited in the face of difference of opinion and that his control over his voice and his muscles of facial expression is not strong. Next, Mr. Hughes is surrounded by the officials of a department which, in the past, has not been efficiently organized and which has tended to place the responsibility for its own failures on the shoulders of the officials of some other nation's foreign office. To them it ascribes almost diabolical cunning and sometimes dishonesty. As most of the United States diplomatic failures have occurred in negotiations with Great Britain it follows that to the State Department 'Downing Street' is peculiarly an object of suspicion and distrust.

The most recent incident of the kind referred to was the American muddle over Yap. To this day the State Department is convinced that it was 'had' by 'Downing Street' over the Mandate for Yap, whereas the truth is that its own officials forgot to check the Minutes of the Conference in Paris.

In all dealings with the Secretary of State the suspicion of British cunning suggested to him by his officials, has to be assumed and that suspicion has to be continuously disarmed by frankness if any progress is to be made.

All our troubles over the preliminary conference were made inevitable by Mr. Harvey's appeal to this chronic suspicion of Washington. That suspicion will pass with experience of our good faith but the Delegates to the Conference must reckon with it.

Of the other American delegates, Mr. Root³ is well known to Your Lordship. He is a convinced supporter of the idea of Anglo-American cooperation. Senator Lodge⁴ is also a familiar figure. He is crotchety and old and cold and thoroughly disillusioned. I know of nothing that he really believes in except himself. He will toy with the idea of Anglo-American cooperation if he thinks it politic to do so. He conveys the impression of being tired of this unappreciative generation and the unappreciative generation, especially in the Senate, daily conveys the impression more strongly of being tired of Mr. Lodge.

³ Mr. Elihu Root had been U.S. Secretary of State 1905-9.

⁴ See No. 191, n. 4.

Mr. Underwood⁵ is well meaning and wholly in favour of Anglo-American friendship. He is not regarded as brilliant but he is possessed of sound common sense.

Behind the American Delegates will be the President with the Cabinet and the Senate with the House.

The President is in intention most friendly and so is the Cabinet. The Senate and House remain unchanged. Their chief preoccupation is the effect of the Conference on next year's election. I have failed to discover any satisfactory evidence of any other interest in the Conference in the minds of Senators and Representatives. As their livelihood may depend on it this is not unnatural. The political situation is however so unstable that it would be idle to describe it at length today in advance of the reassembling of Congress when any such description would certainly be out of date in November.

There remains Senator Borah⁶ whose vehement espousal of the cause of disarmament is a most significant phenomenon. Probably the most astute politician in the Senate he has placed his money on Disarmament as the winning horse for the next Presidential election. That is the most eloquent testimony to the rising strength of the disarmament ideal. The Senator himself is a realist not an idealist.

In summary I desire to say that in my belief there is no reason in American public opinion, or force in American public life, which can prevent the Washington Conference being reasonably successful and helpful. The issue will depend upon the delegates whom the nations send and upon the instructions upon which they are acting.

I have &c.
A. GEDDES

⁵ Senator for Alabama and Democratic leader of the Senate.

⁶ Republican Senator for Idaho.

No. 382

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received September 25, 4.30 p.m.)
No. 366 Telegraphic [A 6954/18/45]

TOKYO, September 22, 1921

Your telegram No. 195.¹

Minister for Foreign Affairs informed me to-day that he cannot go much beyond statements contained in my telegram No. 359² until committee therein mentioned has made its report which will not be for some days yet. He will then instruct Baron Hayashi to make a communication to you without delay. He repeated what he had said about the treaty of 1915 but emphasized the fact that section 5 of the 21 demands was postponed.³ He was opposed to discussion by Conference of political questions concerning China but he had

¹ No. 378.

² No. 376.

³ Cf. No. 61, n. 18.

always been in favour of a frank discussion between Great Britain, America and Japan, preferably through ordinary diplomatic channels.

He could not say whether question of race equality and treatment of Japanese in California would be raised by Japan or not. He was himself in favour of excluding them and all other questions likely to impede the labours of the Conference but if others brought up political questions disagreeable to the Japanese it might be necessary for them to bring up these race questions.⁴

He said that no settlement about Yap had been made with United States Government but that he was still hopeful. Prospects of an amicable arrangement about Shantung were not good, for Peking Government seemed powerless and was merely asking for the opinions of various Tutchuns and political organizations.

⁴ In a lengthy memorandum of Oct. 10 (not printed) 'respecting Racial Discrimination and Immigration', Mr. Ashton-Gwatkin drew attention to the telegram printed above and to Tokyo telegram No. 332 of Sept. 3 (not printed), which reported a conversation with Gen. Tanaka, 'unofficially selected as chief military delegate to the Washington Conference', and said: 'It therefore remains in Japan's power at any time to foil the Conference by this means. . . . Should she decide to renounce the Conference and all its works she could probably find no better rallying cry for public opinion at home, and no better propaganda for the purity of her motives abroad, than an appeal for "racial equality".'

No. 383

Record by Mr. Wellesley of a conversation with the Chinese Chargé d'Affaires relating to a settlement of the Shantung Question

[F 3620/132/10]

FOREIGN OFFICE, September 23, 1921

Mr. Chu, the Chinese Chargé d'Affaires, called to-day to say that he had received instructions from his Government to enquire what were the views of H.M. Government in regard to the Japanese proposals for a settlement of the Shantung Question. The Chinese Government were still deliberating as to whether or no they would enter into negotiations with the Japanese Government on the basis of those proposals which still contained features highly objectionable from their point of view. I asked Mr. Chu what the items were to which the Chinese Government took such strong exception, but he was unable to specify them.

I told Mr. Chu that of course I could not speak with any authority on this subject without previous reference to the Secretary of State, and that I could therefore only tell him what I thought the likely answer would be. I then went on to say that we regarded the Shantung Question as a matter which concerned the Governments of China and Japan and them alone;¹ but that of course we, like every other Power with political interests in the Far East, would cordially welcome the solution of a problem which, so long

¹ Lord Curzon here commented in the margin: 'I could not have said that. C.'

as it existed, only served to embitter the relations of the two countries. The Japanese proposals seemed to us on the whole to be very moderate and certainly offered a basis for discussion, and to throw away so favourable an opportunity for arriving at an agreement satisfactory to both sides would be deplorable.

Mr. Chu seemed satisfied with this answer.²

V. WELLESLEY

² Sir W. Tyrrell minuted: 'A good answer. W. T. 23/9', and Lord Curzon added: 'I agree that we should encourage them to talk. But when I recall my heated discussions with Viscount Chinda about British interests in Shantung I cannot subscribe to the proposition that it is a matter which concerns China and Japan alone. C 24/9.'

No. 384

Letter from the Marquess Curzon of Kedleston to Sir A. Geddes (Washington)
[Confidential/General/363/21]

Confidential

September 25, 1921

My dear Geddes,

I am writing to you here¹ without any secretarial conveniences, and with no means of reference to papers.

I sent on to you yesterday a telegram² of warm acknowledgment of the cordial spirit of Hughes' communication to you³—which is all that could be desired. Every conceivable blunder was made at the beginning. Harvey, though ostensibly frank and probably sincerely friendly, started by being suspicious. He said all sorts of things off his own bat, which he had no authority to say and which he failed to report to his Government. Neither did he successfully represent their views to us. A great mistake was made, in my judgment, by Harding and Hughes when they turned down the proposal (a very generous one in the circumstances) of Lloyd George and myself to run over in August for a preliminary talk.⁴ It was already almost a foregone conclusion—though of course we could not state it—that neither of us would be able to come in November. He has Ireland and unemployment. I have the Egyptian Treaty, which I am negotiating with the Egyptian Delegation, the Reform of House of Lords Committee over which I preside—and Leadership of the House of Lords.

Whom we shall send I do not yet know. The P.M. asked Balfour, but I believe he is crying off. I saw Bonar Law⁵ who also declined—unless in the last resort Balfour persists in refusal, and he must go as a public duty.

Hughes is quite right in seeing at last that there must be private conversations and a private agreement between Great Britain, United States and Japan before the main Conference can decide—although his list of subjects

¹ The filed copy of this letter bears no indication where it was written.

² No. 387 below.

³ See No. 380.

⁴ See No. 355.

⁵ Lord Privy Seal and Leader of the House of Commons.

for the latter, vague, dangerous, and obscure filled me with despair when I saw it.

I do not think myself that it ought to be difficult to draw up certain principles for a tripartite understanding or agreement between the three Powers above referred to, although, having tried it myself, I find that they tend to be platitudin[o]us when put into verbal shape.

China is the rock on which many barques will founder because while we are all in theory in favour not merely of formulating but of carrying out broad and generous principles, you have a country at this moment one of the least united, and a government one of the feeblest, on the face of the Globe, and to expect that China in her present state of internal dissolution will implement any pledge, or merit any favour, is futile.

There is very great fear that the Conference may peter out in talk. I see you speak of three months. What a prospect!

The Americans will learn before long that all the real business of a Conference is done by private talks between the Sitzings, the latter register the decisions thus arrived at.

Further—an invaluable tip—when tempers get heated or things are fogged, adjourn for tea. It is a priceless prescription.

There are many other things I should like to talk to you about. I was very sorry that you had that trouble about Northcliffe. I should never dream myself of excluding him or any critic of mine—and there are many—from anywhere. But when you telegraphed and we referred the matter to the P.M., he was unhesitating in his reply.⁶

We have a bad winter before us—I am speaking politically. But though the government is far from popular, the P.M. retains his personal ascendancy, and his rivals are collectively and individually impotent.

I hope that your domestic anxieties are less than they were. I wish that I could write to my Ambassadors. But with the volume of work that lies upon me, it is impossible; and I only hope that they comprehend and forgive.

Yours sincerely,
CURZON

⁶ Sir A. Geddes had made arrangements for Lord Northcliffe, the newspaper proprietor, to meet members of the U.S. Administration when he visited Washington at the end of July. He had also invited Lord Northcliffe to stay at the British Embassy. As, however, the Northcliffe press had recently indulged in attacks on the Government, notably in *The Times* of July 13, Sir A. Geddes had subsequently referred the matter home (in a private telegram of July 21, not printed) and been informed in a private telegram of July 23 (not printed) that the Prime Minister thought it 'most undesirable for you to offer hospitality of your house or to make any arrangements on behalf of one who has just made a violent personal attack on the Prime Minister and on your own chief'. The arrangements and invitation had consequently been cancelled. The incident is referred to in R. Pound and G. Harmsworth, *Northcliffe* (London, 1959), p. 804.

No. 385

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 307 Telegraphic [F 3510/3510/10]**

FOREIGN OFFICE, *September 26, 1921, 3.30 p.m.*

Portuguese Minister informs us¹ that Governor of Macao reports that a Chinese armed sloop entered the interior harbour of Macao and fired on Portuguese craft off Lapa, killing a sailor and a civilian on shore and wounding two other sailors. Governor has lodged a protest with Canton Government and Portuguese Minister has been instructed to make representations at Peking.

Please enquire into matter and report. Provided Portuguese case is well founded, you should lend your good offices, both at Peking and Canton, in usual way to local Portuguese representatives, with a view to assisting them to arrive at a satisfactory settlement with Chinese authorities.

¹ In a letter of Sept. 20 to Lord Curzon (not printed) confirming a conversation of the same date with Mr. Wellesley.

No. 386

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received November 22)

*No. 554 [F 4310/34/10]**

Confidential

PEKING, *September 26, 1921*

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith a copy of a report which was enclosed in a letter from Mr. G. C. Denham¹ respecting Bolshevism, Chinese communism and anarchism in the Far East.

¹ Government of India Criminal Investigation Officer in Shanghai.

ENCLOSURE IN No. 386

*Report respecting Bolshevism and Chinese Communism and Anarchism
in the Far East*

This note is written in continuation of the report on the subject which was compiled in April last year,² and is intended to summarise the information obtained during the past year in such a way that subsequent reports will be simple to follow. To prevent the note becoming a jungle of names, only persons of importance will be mentioned, and fuller details will be given in the two appendices:²

Appendix (A).—The Russian Bolshevik organisation, with an index of names

² Not printed.

Appendix (B).—A note on Chinese Communist and Anarchist societies, with an index of names.

During the past year there has been undoubted progress made by the Russian Bolsheviks and the Chinese Anarchist societies whose tenets, but not control, are Bolshevik. Despite this definite progress there seems to be good reason to affirm that the danger of Bolshevism as a controlling influence in the Far East is less than it was a year ago, and there seems less danger, at the present moment, of the Soviet Government of Russia obtaining any real hold over China and the surrounding countries than there was some time previously when Bolshevism owed a good deal of its attractiveness to its novelty. The reasons for this comparative lack of progress by the Russian Bolshevik[s] appear, in the main, to be dual; firstly, because, as yet, there is no Bolshevik State in Siberia powerful enough to offer any tangible assistance to any one party in China which might desire to ally itself to a Soviet Power, and the remoteness of Moscow makes contact with the Soviet headquarters so slight that very little impression is made in China by the fulminations and promises of Lenin and Trotsky; secondly, and the reason seems a slightly paradoxical one, because of the strength and independence of the Chinese Anarchist Party, the members of which, though holding very many of the principles of Bolshevism, do not seem to show any desire to be controlled by the Bolsheviks, though at the same time they are perfectly willing to work in modified co-operation with them. It must be remembered that recent enquiries prove that the Chinese Anarchist parties were founded some years before Bolshevism became a power in Russia, and though the theory of internationalism is strongly advocated by both parties, yet the fear of co-operation becoming subordination militates against the likelihood of Russian control. It would, however, be unsafe to say that Bolshevism is no longer a danger, or that the future is free from alarm, but rather that the enquiries which have been made and the information which has been obtained has [*sic*] cleared up certain misapprehensions which existed in the past, and has given us a clearer and more exact knowledge of the progress made by Bolshevism and anarchism in the Far East. It is this increased knowledge which has led us to make the above statements regarding the present situation, but, at the same time our increased knowledge reveals certain points of danger which will need careful watching and handling.

In the previous note on this subject, which was written before certain enquiries in the south were made, it was stated that there was a very prevalent belief in the Malay States and Java that Bolshevism had obtained a firm hold on certain Chinese in those parts and was responsible for much unrest and Anarchic activity. The Dutch authorities in Java were greatly alarmed at the spread of what they termed 'Bolshevik activities among the Chinese', and held a long and elaborate enquiry into the subject. The enquiry which was conducted by Dr. Mouwes, the head of the Netherlands East Indies Chinese Protectorate—to judge from the publications of the Dutch Government—came to the conclusion that the Chinese Anarchist

societies were Bolshevik and must have a strong Bolshevik connection. This conclusion, as will be seen from the note Appendix (B), does not seem to be justified; had the enquiry traced back the history of this Chinese Bolshevism, it would have been found that it had no connection with Russian Bolshevism, but was the outcome of the workings of the Chinese Communist and Anarchist parties having their headquarters in Canton. Similarly, the manifestations of Chinese anarchism, which were remarked upon in the Malay States and other places in the South Seas, were the result of the activities of the Canton Anarchist societies.

The two outstanding features in the progress made by Russian Bolshevism and Chinese anarchism respectively during the past year were, the establishment of a Far Eastern Mission at Peking which covered a direct Bolshevik intrigue in China,³ and the success of General Chen Chiung-ming and Dr. Sun Yat Sen in Canton.⁴ Both these events have enabled the agents of the two parties materially to enlarge the scope of their activities and also to work in certain places with far greater freedom than heretofore.

Prior to the advent of the Far Eastern Mission under M. Yourin, *alias* Gintoft-Dzevaltovsky, Russian Bolshevism had very little cover under which to carry on its intrigues, and had merely to content themselves [*sic*] with the unorganised efforts of individual propagandist[s]. M. Yourin's official position at Peking enabled his emissaries to move about freely and, under the pretext of establishing trade connections with Chita, carry on a good deal of propaganda.

The principal activities of the Bolshevik agents were to be seen in Shanghai, where the establishment of a Bolshevik paper 'Shanghai Life' and the control of a big Russian co-operative society known as Centrosoyuz enabled finance and propaganda to work hand in hand. Openly the work done by these two organisations was not very apparent, as their controllers were well aware that any action of theirs which could be construed into something which was likely to cause a breach of the peace would be severely dealt with by the authorities in the international settlement. Like most criminals and Anarchists in Shanghai, the members of 'Shanghai Life' attempted at first to protect themselves by working in the French concession, but before long their activities became even too much for the French authorities, with the result that the offices of the paper were closed down for a few days.

At present the 'Shanghai Life' devotes itself in [*sic*] presenting Soviet Russia in the most roseate possible colours, and in disseminating the more than doubtful information furnished by the 'Rusta' and 'Dalta' news-agencies, which are supported by Bolshevik funds for propaganda purposes.

The leading spirits in 'Shanghai Life' are Gregory Semeshko and Baronovsky, and these men are visited regularly by Bolshevik agents from Vladivostok and Peking. There is a great deal more information on record, which will be elaborated in Appendix (A),² regarding the persons associated with 'Shanghai Life', but it is not so much the individual as the organisation which protects him, which is the danger in Shanghai. The offices of 'Shanghai

³ Cf. Nos. 103, 108, 114, 123, 134, 182, and 211.

⁴ See Nos. 152 and 215.

'Life' act as a meeting place and a cover for the disaffected residents of Shanghai and the various agents which visit the place. There is a constant coming and going of Bolshevik workers between Chita, Peking, Tien-tsin and Canton. Amongst the most prominent of these people are Hodorof and Zarchin. Hodorof has recently paid visits to Shanghai and Canton and given many interviews to gullible newspaper reporters, posing as an expert on the trade possibilities of the Far Eastern Republic, and also as a representative of the 'Rusta' and 'Dalta' news-agencies. Hodorof was very busy at Peking, and seemed to be Yourin's right-hand man. Whilst in Shanghai he was negotiating, with the assistance of another of Yourin's agents called Turgeshief, for the establishment in Shanghai of a Bolshevik daily paper in English. In this connection a substantial offer was made to a woman who has written a good deal for the Shanghai papers under the *nom de plume* of 'Gerve Baronte'. 'Gerve Baronte's' real name is Mrs. Bena; she is an American by birth of pronounced anti-British feelings, and was formerly a Mrs. Paul Danner. Recently divorced, she married C. A. Bena, an Italian, who seems to be closely connected with many intrigues in Shanghai and Peking.

No definite acceptance of the offer was given by Mrs. Bena, and it is more than probable that the question of funds is proving a stumbling block. Recent information is to the effect that no money has been received by the Bolshevik agents in Shanghai for the last two or three months, and representatives have been sent to Chita to try to obtain funds. Bolshevik propaganda is, however, not solely dependent upon its paid agents as, besides them, there are in Shanghai some very energetic workers, who devote their spare time to work for the 'cause'. Prominent among such persons is Jack Lizerovitch, a clerk in the firm of Jardine, Matheson, who before his arrival had apparently intimate dealings with members of the Communist Party in London, where his parents resided at 210, Oxford Street, Stepney. Lizerovitch has a small band of admirers and is in close touch with members of the Chinese Anarchist parties, thus being in a position to assist Bolshevik propagandists who wish to spread their doctrines in the interior of China. Reports have been received of two or three parties of Russians and Chinese who have been deputed for work in the interior of China, but very little has been heard of the result of their endeavours.

It seems more than probable that the recent financial stringency, the lack of success of Yourin's Mission and the Kappel *coup* at Vladivostok⁵ have diminished for the moment the activities of the Bolsheviks locally, but further information points to renewed activity.

The replacement of Yourin by Alexis Agarief, a former Mayor of Vladivostok and a worker on the 'Shanghai Life' may lead to more direct activity, and it is reported that a strong propaganda organisation has been established at Chita under the leadership of Vorvosky, who had a very successful career in Europe. (Can this man be identical with Vorvonsky who was so conspicuous in Sweden and subsequently in Italy?) Vorvosky is said to be going to cloak his work in China under a very bitter anti-Japanese

⁵ See No. 299, n. 2.

propaganda, which will place before the Chinese and other Far Eastern peoples a lurid account of Japanese atrocities in Siberia.

It has even been stated in Russian newspapers that Litvinof⁶ has been sent from Moscow to Peking, having been chosen for the post on account of his known abilities and friendship with Dr. Yen, the Minister for Foreign Affairs.

There are thus reasons to believe that we are about to see a recrudescence of Bolshevik activity, but, as remarked previously, much will depend upon the stability and prosperity of the Soviet-supported States in Siberia. No Chinese party will be so foolish as to incur the stigma of a Bolshevik alliance without the prospect of some very substantial support, and that support does not seem likely at present to be forthcoming. It has been reported that Chang Tso-lin was making overtures for assistance from Chita in the Mongolian *impasse*,⁷ but nothing came of them, because before anything else was discussed he was told that he must cast aside his Japanese connections.

It cannot be said that, so far as we are aware, the Bolsheviks have had any great success in spreading propaganda among the Chinese. Events during the past six months have made them cast their eyes on Canton, and two or three agents have established themselves in that city. Recently a meeting was held at Swatow at which one of the Bolshevik agents, Reman-kauf, and a Chinese Anarchist, Lao Shi Fuk, were present, but nothing has been heard to show that the Bolsheviks have made any real headway. Both Zarchin and Hodorof visited Canton, and branches of the 'Rusta' and 'Dalta' news-agencies have been established in that city.

It is not impossible that the Bolsheviks, like the Dutch in Java, have not grasped the fact that the progress of Chinese anarchism was not due to Bolshevik teachings, but rather to the activity of the Canton Anarchist societies and the favourable circumstances which the methods and propaganda of General Chen Chiung-ming and Sun Yat Sen provided.

There is clear evidence to show that Chinese anarchism and communism originated in Canton on a definite basis in 1911, and were the fruits of the Anarchist theories imbibed by certain young Chinamen, who resided in Paris in 1907.

These Anarchist organisations are described in full in Appendix (B)⁸ in which it is shown that their present strength is entirely due to the exertions of their members and not to the assistance of Bolshevik agents. It is undoubtedly true that a large amount of the literature published by these societies is Bolshevik in nature, but this is merely due to the fact that much of it is translations from Marx, Kropotkin and Bakunin.⁹

The great similarity in the theories advocated by the Chinese Anarchists and that of the Bolsheviks naturally makes Bolshevik propaganda easily

⁶ Soviet Russian Deputy People's Commissar for Foreign Affairs.

⁷ In Feb. 1921 the Chinese had been driven from Urga, the capital of Outer Mongolia, by combined Mongolian and White Russian forces. Subsequently, in July 1921, the White Russian forces had in turn been driven from Urga by Soviet Russian troops.

⁸ Not printed.

⁹ Prince Kropotkin (1842-1921) and M. Bakunin (1814-74) were well-known Russian Anarchist writers.

assimilable, but when it becomes a question of control there is little to show that the Bolsheviks have achieved any. There are, however, certain interesting connections between the Bolsheviks and the Chinese Anarchists, particularly in the north of China.

In certain instances Esperanto is used as a common bond; Si Fuh, the founder of Chinese anarchism, was an ardent advocate of Esperanto, and certain of the Chinese Anarchist journals have some pages in that dialect; this fact undoubtedly led to the establishment in Shanghai of a school for Esperanto, which was formerly conducted by V. A. Stopani of the 'Shanghai Life', who recently committed suicide. It is now presided over by a Japanese called Kawakami, who is assisted in his teaching by two young Chinese Anarchists.

There are, too, some grounds for believing that there is some co-operation in Japan between Bolsheviks and Chinese Anarchists. A Russian called Gerinsky is said to control Bolshevik propaganda in Southern Japan from Kobe, where he resides; he has with him Chinese assistants. Again, a Russian called Eroshenko, who had previously shown himself to be of Bolshevik leanings in India, has been arrested in Japan and deported after a labour disturbance which took place in Tokyo on the 1st May; two Chinese students at the Tokyo University have also been put under arrest for harbouring 'dangerous thoughts'.

The progress made recently by Chinese anarchism has been greatly due to the open action of General Chen Chiung-ming and secret support of Sun Yat Sen. In the vicinity of Foochow, Amoy and Swatow, where General Chen Chiung-ming gathered together his forces before his attack on Canton, a large amount of the most extreme Anarchist and Communist propaganda was disseminated under the direct auspices of the general himself, who even went so far as to circulate picture postcards showing himself dressed as [a] cooly working with other coolies on roadwork.

At Shanghai Sun Yat Sen was in close touch with leading Chinese Anarchists, and was constantly visited by Bolshevik agents.

The natural result of this patronage was the congregating in Canton, after Sun Yat Sen and Chen Chiung-ming took over Kwangtung, of the leading Anarchists in China and a great access of Anarchist enthusiasm. Amongst the principal advocates of anarchism was Ch'en Du Hsiu, a former professor at Peking University, who had been dismissed from his post owing to his extreme views. This man has been active in Shanghai, where he was in close touch with Sun Yat Sen and the Bolsheviks. On the accession to power of Sun Yat Sen at Canton, Ch'en Du Hsiu was appointed to a high position in the Ministry of Education, but on the 12th May of this year he was dismissed and left Canton. This action of Sun Yat Sen seems to be very significant and to show that, though quite ready to make use of the Chinese Anarchist societies, he would brook no interference in administrative affairs; from the information available it would seem that Ch'en Du Hsiu's proposals were so extreme that the local authorities could not support them. Though Sun Yat Sen may take such action against an individual, it is equally certain

that both he and General Chen Chiung-ming appreciate the help that has already been given to them by the Anarchist societies and their possible value in the future. We have information on record showing that outside Canton itself Anarchist societies have been founded by missionaries from the parent bodies at Shanghai, Peking, Tien-tsin, Nanking, Changshu and in the provinces of Szechuan and Shansi in China, as well as at numerous places in Malaya, the Netherlands East Indies and the Philippines. The activities of these societies have been shown by the large circulation of Anarchist and Communist literature which they secretly print, the dissemination of Anarchist pamphlets amongst the Chinese soldiery and by an unwelcome assistance to all striking bodies.

Special efforts appear to have been made to tamper with the troops in Northern China, and, as all the societies have been founded by and are mostly controlled by Cantonese, this line of activity would undoubtedly be appreciated by the leaders of the Southern Party. The Peking Government have realised the danger of this propaganda and have issued many stringent orders on the subject to their military authorities, but the greatest danger in the future lies in the anti-British and anti-foreign feelings and propaganda of the Chinese Anarchists, together with the influence they wield over the labouring classes at the various ports in China itself and outside China where Chinese labour is employed. The 'Kung Tong', or Labour Union, has a very real control over Chinese labour, particularly at ports from Shanghai to Singapore, and enquiries have shown that the Anarchist parties and their leaders play a very important part in the organisation of this powerful body. It is this feature of Anarchist activity which has probably appealed most to politicians, like Sun Yat Sen and Chen Chiung-ming, and caused them to pay such flattering attention to the Anarchist societies.

The Canton leaders must appreciate that they, to say nothing of China itself, will not be in a position for many years to come to show any opposition to foreign proposals they are unwilling to accept, or to apply any pressure on foreign Powers by the threat of force or coercion. Their one possible weapon is 'the strike'. Both at Hong Kong and Singapore exceedingly well-organised strikes have taken place, in which the Chinese dock labourers, mechanics, &c., have shown a bold and united front. Thus, with the Kung Tong in good working order, it would be possible for the leaders at Canton, by the use of simultaneous strikes, to paralyse the entire shipping between Vladivostok and Singapore. This is a danger which must be guarded against, and the first step to protect British ports is to acquire a very complete knowledge of the ramifications of various Chinese labour parties and to ascertain the degree of control exercised by the Kung Tong and the Anarchists connected with it.

Thus with Bolshevik activity in the north and a growing Chinese Anarchist Party in the south, both of which are extremely anti-British in their propaganda, there is every need for care in the future. Much will depend on the success or non-success of the Bolshevik advance to various parties in China and their attempts to join up with the Chinese Communist and Anarchist parties. At present the chief danger lies in the disturbing force of Bolshevism

in the north, the possibility of successfully engineered general strikes, particularly in the south, and the danger of a cunningly devised Bolshevik propaganda which would make use of the anti-Japanese feeling, which is still strong in many parts of China.

No. 387

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

*No. 576 Telegraphic [A 6915/18/45]**

FOREIGN OFFICE, *September 28, 1921, 6.15 p.m.*

Your telegram No. 610 of 21st September.¹

You should convey to Mr. Hughes our warm acknowledgment of the cordial spirit of his communication to you, and assure him that we heartily reciprocate his views and sentiments.

Our delegates will be instructed to co-operate with him on the lines indicated in your telegram.

(Repeated to Tokyo, No. 199.)

¹ No. 380.

No. 388

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston
(Received October 1, 5.40 p.m.)

No. 626 Telegraphic [A 7155/18/45]

WASHINGTON, *September 29, 1921*

(? Your telegram No. 5)76.¹

Communication was made to Secretary of State to-day. He said that he was very glad to get this assurance, as, though he had not believed them, he had been somewhat disturbed by telegrams in Press from London reporting that if Conference (? did not) first settle Far Eastern question before limitation of armaments was discussed British delegation would attempt temporarily to shelve latter question and refer it to experts, which was found to be very handy way of dealing with questions at Paris Conference.

¹ No. 387.

No. 389

Note from the Marquess Curzon of Kedleston to the Portuguese Minister
*[F 3654/3510/10]**

FOREIGN OFFICE, *October 1, 1921*

Sir,

With reference to your note of the 27th ultimo¹ and to your recent conversa-

¹ Not printed.

tions with Sir Eyre Crowe,² I have the honour to inform you that a telegram, dated the 27th September, has just been received from Mr. Jamieson, His Majesty's consul-general at Canton, reporting on the situation at Macao.³

2. According to Mr. Jamieson's report, the position is as follows: A collision occurred on the 16th September between Chinese boats and the water police at the entrance to the harbour of Macao off the Chinese shore. Some firing took place and Portuguese life was unfortunately lost. A settlement of this incident was being arrived at when a torpedo-boat from Canton was ordered by the Chinese military authorities on the 21st September to anchor off Wanchai in order to prevent the harbour police from interfering with the junks in the harbour. The torpedo-boat was ordered by the Governor to leave the harbour before 6 P.M. on the following day, and warning was given that the vessel would, if necessary, be removed forcibly. His Excellency appealed for assistance to His Majesty's consul-general, who arranged the immediate despatch to Macao of His Majesty's ship 'Taran-tula'. The Chinese torpedo-boat left the harbour of her own accord, but on the 24th September she returned, and, on the understanding that no fresh infringements of the harbour regulations would take place and pending the final settlement of the matter by diplomatic means, the Governor allowed her to remain provisionally, though he did so under protest.

3. The situation is stated now to be quiet, and on the 26th September the Portuguese consul, accompanied by the British vice-consul, visited the self-styled 'Commissioner of Foreign Affairs' at Canton and handed him a memorandum defining the position and expressing the willingness of Macao to submit the boundary question to the League of Nations or some other impartial tribunal. While reasserting the Chinese contentions in regard to the case, the commissioner promised that no provocative action would be taken, and a similar undertaking was given on behalf of Macao. His Majesty's consul-general anticipates that a settlement of the incident of the 16th September will not be difficult, and has urged that it should be effected without delay.⁴

4. His Majesty's consul-general is most strongly of the opinion that, whilst the solution of the boundary question can be deferred, the Portuguese Government would be well advised to agree to the determination by some impartial authority of a *modus vivendi* in regard to the harbour waters and the revision of the harbour regulations affecting the visits of junks to Lappa. It will be seen, therefore, that Mr. Jamieson's view harmonises with the suggestion made to you by Sir Eyre Crowe, and which I am glad to take this opportunity of endorsing, that the case might with advantage be submitted for settlement to the League of Nations.

² i.e. on Sept. 27 and 28. The records of these conversations are not printed.

³ i.e. Mr. Jamieson's telegram No. 5, not printed.

⁴ Mr. Jamieson had added: 'Only danger is outbreak of popular feeling which runs high on both sides. Macao populace especially resenting "British dictation to their Governor". Chinese, with inflated arrogance demand . . . [text uncertain] Macao.' A *Very confidential* sentence in his telegram read: 'Portuguese authorities here and at Macao are excitable, unreasonable, and relying on our support may drag us into conflict unjustifiably.'

I wish, however, to make it quite clear that, whilst His Majesty's Government are always happy to assist the Portuguese Government with friendly advice when asked, they cannot relieve the Portuguese Government from the full responsibility of any course of action on which they may see fit after weighing such friendly advice to decide for the protection of their own vital interests.

I have, &c.

CURZON OF KEDLESTON

No. 390

*Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 4, 9.30 p.m.)*

No. 372 Telegraphic [F 3664/2635/10]

PEKING, October 3, 1921, 9.45 p.m.

As the question of Chinese finances seems bound to come up at Conference either from a demand for tariff revision or in some other way brief résumé of position is submitted.

Competent observers here agree that financial situation is far worse than is generally realized. Chinese Government has come to the end, not only of its resources, but of its credit and unless some new and dependable revenue can be found complete chaos must ensue in the near future resulting in the collapse of all central authority and anarchy throughout the country.

Wu Pei Fu in his recent campaign against Hunan and Szechuen [*sic*] undertaken by orders of the Central Government has in defiance of orders of Central Government been financing himself from Peking-Hankow Railway revenues already fully mortgaged which he seized at the source. He justifies himself by stating that Central Government provided no funds. Latter, despite desperate efforts during the past six weeks to float domestic loan, have failed to secure the support of Chinese banks and are practically bankrupt. They have defaulted on British Vickers and Marconi loans and on numerous other foreign loans and are totally unable to meet any of their obligations which are not secured on revenues under foreign control.

In your telegram No. 306¹ Your Lordship approved of proposal not to support Japanese proposal for a 25 per cent. increase in customs duties.² United States Government are equally opposed to this, apart from the unsoundness of allowing Chinese Government to impose surtaxes—a precedent which would be liable to flagrant abuse. Such a surtax would only be a measure of temporary relief, serving to keep present Government going a few months longer and to give a fictitious fillip to Chinese credit.

There would appear to be two alternatives: either to leave the Chinese Government to get out of the present financial *impasse* in her own way and trust to her weathering once more the dangers of bankruptcy and disentera-

¹ Not printed.

² This proposal had been reported in Sir B. Alston's telegram No. 353 of Sept. 6, not printed.

gation [*sic*], without ignoring, however, the risk she will continue to run of being a prey to every aggressor; or for some comprehensive scheme to be put forward at the Conference for rehabilitating financial position under foreign control. This might take the form of a mixed commission, invested with adequate powers for a period of years to assume control of specified revenues and expenditure, and reorganisation of unsecured public debt. Only new revenue which could be fully relied on would be an increase in customs. Pending agreement on tariff revision it might be necessary to consider imposition of a surtax as part of such a scheme, despite general objection to surtaxes and solely in order to provide funds necessary to enable any financial commission of control to operate effectively. In short, present conditions indicate that the question of financial reform must take precedence of all other reforms which may be raised at Conference.³

Repeated to Tokyo.

³ Sir W. Tyrrell wrote in the course of a minute of Oct. 5: 'Financial control may become inevitable, but we should put off the evil moment as long as we can.' Lord Curzon commented: 'The prospect at Washington becomes daily more alarming. C 5/10.'

No. 391

Mr. Jamieson (Shameen) to the Marquess Curzon of Kedleston
(Received October 6, 2.30 p.m.)

No. 9 Telegraphic [F 3684/3510/10]

SHAMEEN, October 6, 1921, 12.50 p.m.

Confidential paragraph of His Majesty's Minister's telegram of October 5th.¹

I had thought of that risk which is a real one hence my own suggestion of September 30th.²

Wu³ informed me in conversation the other day that they are prepared to buy back Macao as a solution of the difficulty.

Repeated to Peking.

¹ In this telegram, No. 45 to Canton (repeated as No. 375 to the Foreign Office), Sir B. Alston had referred to the Portuguese Minister's readiness, on certain conditions, to go to Canton in connection with the Macao dispute, as advised by Mr. Jamieson, and had added: '*Confidential*. Is there no risk that Canton Government will (?claim) direct negotiations as tantamount to recognition and quote it as a precedent to other Powers?'

² In his telegram No. 6 of Sept. 30, Mr. Jamieson had stated that he regarded proposals for arbitration put forward in Lisbon and Macao as equally unsatisfactory. He was, however 'consulting Chinese in writing' concerning them and had 'added suggestion on my own responsibility that harbour and waters question be submitted to judges of His Majesty's Supreme Court at Shanghai as impartial without local prejudice'.

³ Mr. C. C. Wu was Vice-Minister for Foreign Affairs in Sun Yat-sen's self-styled 'Government of China' at Canton (see No. 262).

No. 392

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 313 Telegraphic [F 3632/3510/10]

FOREIGN OFFICE, October 6, 1921, 6.30 p.m.

Macao.

I have informed the Portuguese Minister of the report of the situation in Mr. Jamieson's telegram No. 5,¹ and of Mr. Jamieson's strong opinion that the Portuguese Government will be well advised to agree to the settlement of a *modus vivendi* by some impartial authority. The suggested submission of boundary question to the League of Nations harmonises with a similar suggestion already made to the Portuguese Minister. I have, however, made it clear that whilst His Majesty's Government are always happy to assist the Portuguese Government with friendly advice when asked, they cannot relieve the Portuguese Government of full responsibility for any decisions they may take.

Mr. Jamieson's telegram No. 7² seems to indicate some progress towards a settlement, but does not show what is the attitude of the Chinese towards the suggestion in his telegram No. 6.³ If the Chinese are prepared to accept it, there seems to be no reason to withhold my approval, but the Chinese may not welcome as arbitrators subjects of a nation allied to Portugal, in which case I do not think the suggestion should be pressed. It might be better to propose instead arbitration by the United States Consul.

Subject to your own observations, you are authorised to instruct Mr. Jamieson in the above sense.

Repeated to Lisbon No. 82.

¹ See No. 389 for a summary of this telegram; see also No. 389, nn. 3 and 4.

² Of Oct. 1, not printed. In this he reported the receipt of a Chinese reply that there 'should be no difficulty in determining boundary of territorial waters between Macao and Lappa'.

³ See No. 391, n. 2.

No. 393

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston

(Received October 8, 10.45 p.m.)

No. 380 Telegraphic [F 3707/3510/10]

Confidential

PEKING, October 7, 1921, 8.40 p.m.

Canton telegram No. 9.¹

Suggestion contained in final paragraph is of course only solution to the question in the interests of Portugal and China alike. Macao has always been regarded as plague spot of the Far East and our support to Portugal in connection with it is, apart from treaty obligations, generally detrimental to British good name and interests.

¹ No. 391.

Portuguese Minister informs me that mere suggestion would for historical and sentimental reasons be regarded as an insult by Portugal.

If there is however any possibility of doing so I trust that this solution may be advocated.

Repeated to Canton.

No. 394

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 316 Telegraphic [F 3696/3510/10]

FOREIGN OFFICE, *October 8, 1921, 7 p.m.*

(Macao)

My telegram No. 313.¹

Portuguese Government state that Canton Government have officially demanded *inter alia*

1. Satisfaction from Portuguese Consul for transgression (which never took place) of maritime limits by Portuguese soldiers.
2. Punishment of guilty Portuguese.
3. Guarantees that Macao Government vessels will not go beyond line down the middle of the interior harbour.
4. Immediate removal of defence works at Portas do Cerco (on Portuguese territory).
5. Immediate removal of lighting arrangements near Portas do Cerco.

They state that Chinese torpedo boat has been joined by Chinese gunboats and are reliably informed that 3,000 men have been concentrated at Chin-San.

Portuguese Government request British mediation in incident of September 16th and in settlement of boundary question.² Failing its acceptance by Canton Government Portuguese Government say they will have to resort to force and enquire what support they may depend on from Great Britain.

Before replying to Portuguese Government I shall be glad to receive further report from you on latest developments. Last telegram received is Mr. Jamieson's telegram No. 9.³

¹ No. 392.

² In a note of Oct. 4 (not printed) the Portuguese Minister in London had requested 'the mediation of Great Britain who would appoint a special delegate to investigate the incident of the 16th September and the old question of the land and maritime boundaries of the colony'.

³ No. 391.

No. 395

Sir L. Carnegie¹ (Lisbon) to the Marquess Curzon of Kedleston
(Received October 9, 10.30 a.m.)

No. 95 Telegraphic [F 3706/3510/10]

LISBON, October 8, 1921, 7 p.m.

I called on the President of the Republic at his request this afternoon. He at once began to speak about Macao. He complained that His Majesty's Government showed a certain coldness in the matter to their old ally. I asked in what respect. He replied that, although they gave advice, they gave no assistance. The moral effect of the presence of British gunboat which had come to Macao from Hongkong had been excellent, but it had now been withdrawn whilst Chinese ships remained. What he wanted was that His Majesty's Government should let it be known at Canton and if necessary at Peking that any attack on Macao would not be tolerated and that a British vessel should be sent back to Macao.

Bearing in mind the contents of your telegram No. 313 to Peking,² I said that I understood that it was proposed that boundary question should be referred either to the League of Nations or to arbitration. His Excellency said that he wanted the latter; an equal number of Portuguese and Chinese arbitrators and one other whom he recognised had best be of other nationality than British, but who might be named by His Majesty's Government. He hoped the latter would insist on this arbitration. He feared an attack any day on the colony and the (? population) were practically powerless to resist. It would take a very long time to send forces to Macao.

The President begged me to lay the above considerations before you at once.

¹ H.M. Minister at Lisbon.

² No. 392.

No. 396

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 11, 11.45 a.m.)

No. 382 Telegraphic [F 3725/2635/10]

Very confidential

PEKING, October 10, 1921, 1.30 p.m.

My telegram No. 372.¹

Inspector General of Customs² considers that financial crisis is imminent though it is impossible to say whether it is a matter of days or weeks. Finance

¹ No. 390.

² Sir Francis Aglen, of whom, in a minute dated Oct. 11, Mr. Lampson wrote: 'he is at all times inclined to be emphatic in his views: but of course he does know what he is talking about'.

Minister has confessed to him that supplies have run dry and that the game is up. Unsecured and unmanageable foreign and native obligations against which there are no assets amount to a minimum of 350 million dollars.³

Both Banks and Government are appealing to Inspector General to save the situation and at any rate to tide them over the Pacific Conference but without funds he is powerless and he sees no possibility of relief unless someone possessing authority can come to Peking and stand behind the Government and (? establish) Government's responsibility⁴ and power which are at present completely divorced. Wu-pei-fu seemed to be the only man who from personal achievements is capable of undertaking the task but Inspector General understands from a fairly reliable source that Wu-pei-fu would (? probably) not lift a finger to save the present Government and would certainly not come if summoned by them to the rescue. In any case Wu-pei-fu could not oust Chang-Tsao-Lin, who at present dominates Peking, without a fight.

If this Government goes out there is no other in sight and situation will be serious as it is not merely a question of upholding Government but of stabilising Chinese credit.

Inspector General is meeting Chinese bankers, Minister of Finance and ex-Ministers of Finance on Wednesday.⁵ So far as he can see nothing can be done to keep Government in power or any successors in similar circumstances unless Japan supplies funds.

I am aware that similar forecasts of impending crisis have not been realised in the past but in view of the effect on China's position at Conference which the collapse of Government would have, I have thought it worth while to report the apparent position.

Repeated to Tokyo.

³ According to a minute of Oct. 12 by Mr. Wellesley, Sir C. Addis estimated the total amount at something under \$300 million, a large proportion of which consisted of Japanese loans: 'As the holders, whether of British or any other nationality, entered upon these ventures with their eyes open and in the face of every warning they were not entitled to much consideration. How the impending collapse of the Chinese Govt. would affect these interests it was impossible to say; but it did not necessarily follow that they would be in any worse position than that in which they have been all along.'

⁴ The text as received at Tokyo read: 'stand behind the Government and reunite responsibility'.
⁵ Oct. 12.

No. 397

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received October 18, 12 noon)

No. 404 Telegraphic [A 7597/18/45]

Confidential

TOKYO, October 15, 1921

Minister for Foreign Affairs requested me to call this morning and said that Japanese Government had decided to raise no objections to proposed agenda.¹ These agenda are, however, so wide and vague that it seems

¹ In response to further instructions (F.O. telegram No. 204 of Oct. 5, not printed), Sir C. Eliot had on Oct. 11, as he reported in his telegram No. 390 of that date (not printed),

impossible to say what subjects may come up for discussion at conference and Japanese Government therefore reserve right of bringing up other subjects which are not on agenda if they see fit to do so.

I understand this to mean that if questions disagreeable to Japan are brought up she reserves right of bringing up such questions as race equality and immigration which may be embarrassing to other powers.

He went on to say that Japanese Government regarded disarmament as primary object of conference and discussion of Pacific problems as subservient to that object. They were ready to discuss various difficulties connected with China and Siberia in that spirit but thought it would be a mistake to examine any questions or aspects of questions not directly connected with disarmament. They were ready to inform conference of their views and intentions as to Shantung but they adhered to opinion that matter ought to be settled by negotiation with China. Although no official decision had yet been taken he could inform me confidentially that it was the intention of Government not to refuse to accept Chinese reply² but to endeavour to make further overtures.

I asked Minister for Foreign Affairs if he had nothing more to tell me. Apart from our natural desire to communicate fully and frankly with our allies we had received some time ago from his Excellency special assurance that we should be kept informed. He replied that he would be pleased to answer any questions we might ask as to special points and that he invited such questions but that in view of vagueness of agenda (to which he repeatedly referred) he had no further opinions to volunteer at present.

In particular he would welcome question as to Anglo-Japanese Alliance and its possible conversion into a tripartite agreement. He thought however that it might be more convenient for delegates of three powers to discuss this at Washington.

I think Japanese Government are under the impression that preliminary discussions between them and His Majesty's Government are not regarded with favour at Washington and that they are most anxious to be on good terms with United States. United States Ambassador told me a day or two ago that United States were responsible for calling disarmament conference but that proposal to discuss Pacific problems was our work. I have no doubt that this idea has been impressed on Japanese Government and that they hope that, at conference, Pacific problems will be treated as secondary.

Delegates left to-day and a large and enthusiastic crowd filled station to wish them success.

again urged on the Minister for Foreign Affairs 'the importance of communicating . . . the views of his Government about agenda'.

² The Japanese Government had formulated conditions for a settlement of the Shantung question which it had presented in a note to the Chinese Government on Sept. 7 (see *F.R.U.S.* 1921, vol. i, pp. 617-19). The Chinese Government replied in a note of which an English version (not printed) was communicated to the Foreign Office on Oct. 10. This stated that much in Japan's proposals was 'still incompatible with the repeated declarations of the Chinese Government' and pointed to 'the marked difference of opinion between the two countries' (see *ibid.*, pp. 622-4). The Japanese Government replied in a further note on Oct. 19: see *ibid.*, pp. 625-8. Cf. Nos. 404 below, n. 16, and 406 below.

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 18, 12.35 p.m.)

No. 389 Telegraphic [F 3810/3510/10]

Confidential

PEKING, October 17, 1921, 9 p.m.

Your telegram No. 316.¹

Canton telegrams Nos. 10 and 11 go to show that we have reached the limit of our good offices and that a deadlock now exists.²

There appear therefore only two alternatives:

1. Either to withdraw from controversy and leave Chinese and Portuguese to settle matter as best they can; or

2. If our treaty obligations prevent this, to provide Macao with sufficient protection against use of actual force by Chinese in order to maintain *status quo ante* September 16th, pending establishment of a unified Chinese Government with whom Portuguese Government can conduct effective negotiations.

Should second alternative be adopted notice of our intention should be conveyed by myself here to Chinese Government and by His Majesty's Consul General to Chinese authorities at Canton explaining simply that this appears the only means of preventing international conflict, which, under present circumstances, would be disastrous to all concerned.

Canton authorities would seem to be anxious to force an issue with Treaty Powers in order to advertise their own claims to recognition, and to have selected Macao question for this purpose. Any willingness to accept such a challenge will only further complicate China's internal difficulties and if we have to intervene at all we should do so in a way which will make it clear that we are not defending Portuguese so much as resisting Cantonese attempt to prejudice, by immediate local action, question which concerns China as a whole.

Under instructions from Lisbon Portuguese Minister is leaving for Macao this week but it seems unlikely that he will be able to achieve anything so long as . . .³ maintain their present demands in regard to both incident of September 16th and to harbour delimitation, with neither of which can Portuguese be reasonably expected to comply.

Repeated to Canton.

¹ No. 394.

² These telegrams of Oct. 14 (not printed) gave details of the Canton authorities' attitude regarding the Macao dispute and reported that they had ignored the Portuguese proposal for a joint investigation.

³ The text is here uncertain.

*Memorandum by Sir J. Jordan respecting American suggestions for Agenda
for the Conference*

[F 3820/2635/10]

FOREIGN OFFICE, October 17, 1921

PACIFIC AND FAR EASTERN QUESTIONS

Questions relating to China

1. *Principles to be applied*

The principles to be applied will be found already formulated in the Anglo-Japanese Agreement, in the Root-Takahira Agreement of 1908,¹ and in similar documents. Briefly put, they are:

- (a) Free and peaceful development of commerce on the Pacific.
- (b) Maintenance of the independence and integrity of China and the principle of equal opportunity.
- (c) Reciprocal undertaking by the signatory Powers to respect the territorial possessions severally belonging to them in the Pacific.

No fault has ever been found with these principles. It is their non-observance that has led to so much trouble in China. The second principle especially has been more honoured in the breach than in the observance.

2. *Application*

The application of the principles would presumably rest with the Governments of the signatory Powers and their Agents on the spot. There should be some Tribunal to which China or any of the contracting Powers could appeal against any violation of the principles.

3. *Subjects*

(a) *Territorial integrity*

The principal infringements of territorial integrity are: (1) Leased Territories: (2) Railways owned and controlled by Foreign Powers and used as a means of 'peaceful penetration': (3) Spheres of influence: and (4) Declarations about non-alienation of territory.

The Powers should mutually undertake to seek no further concessions under the first two heads and a tentative attempt might be made to return some of the present Leased Territories to China. We might, for instance, in my opinion, safely offer to restore Wei Hai Wei if this contribution would induce Japan and France to give back Kiaochow and Kuang Chow-Wan to China. As to (3) and (4), they imply a sort of Protectorate over Chinese territory and should be abolished if perpetual friction is to be avoided.

¹ Cf. respectively, No. 24, n. 3, and No. 97, n. 10 (p. 112).

(b) *Administrative integrity*

There are three great Services in China which constitute an appreciable impairment of Chinese Administrative integrity—the Customs, the Salt, and the Postal Services. They are all international in their personnel, the first two being under British Directors and the third under French control. The Customs and Salt Revenue forms the security for the Foreign loans, and the maintenance of both Services is an imperative necessity in the interests of the bondholders. All three Services are largely exotic from the Chinese point of view and have not been satisfactory schools for training Chinese in administrative work. This applies more especially to the Customs, and in a less degree to the Salt where Sir R. Dane's experience as an Indian administrator enabled him to introduce a modified system.² In the event of the establishment of future Services of this kind, it will probably be found advisable, even at the sacrifice of some degree of efficiency, to proceed on the lines of our present system in India and give the natives a larger share in the task of administration.

Apart from the above, there are large tracts of China in which Chinese administration is little more than nominal. This is the case with South Manchuria, part of Mongolia and a considerable portion of Shantung, in all of which there is a large Japanese population living under ex-territorialized conditions which constitute the negation of territorial sovereignty.

(c) *Open door, equality of commercial and industrial opportunity*

These exist everywhere in China except in Manchuria and Shantung where Japanese-controlled railways and special privileges enjoyed by Japanese place the trade of other countries at a serious disadvantage. The position in Manchuria is perhaps so consolidated as to admit of little practical amelioration, but it should still be possible to regularize the situation in Shantung by making the railway a Chinese Government railway, by turning over the control of the Harbour and the Docks to the Chinese authorities and placing the Customs Administration on the same footing as at the other Treaty Ports. Failing this, Shantung will become a Japanese preserve like Manchuria and remain a constant irritant.

(d) *Concessions, monopolies or preferential economic privileges*

Concessions are of various kinds, railway, mining and residential Concessions. The Railway Concessions and the terms under which they are worked have been fully exposed during the Consortium negotiations which resulted in an agreement governing future railway policy.

There are perhaps not more than a dozen Mining Concessions actually working in the whole of China. It is unlikely that China will grant any further Concessions and the tendency is now towards co-operative effort between Chinese and foreigners in the development of Chinese mineral resources.

² For the recent history of the Chinese Salt Administration, see *The China Year Book 1921-2*, pp. 247-55. Sir Richard Dane had been Foreign Chief Inspector of the Chinese Salt Revenue Department, 1913-18.

As regards residential Concessions, the time is hardly ripe for any radical alteration in their status, although, in the interests of economy and convenience, the consolidation into one General Settlement of the separate Concessions of several Powers at places like Hankow and Tientsin would be a great advantage.

The Americans have no residential Concessions, and the German, Russian and Austrian Concessions have been resumed by the Chinese Government.

Speaking generally, Concessions in the interior of the country are a disintegrating influence in the present state of China, as the Central Government is not in a position to impose its will on the provinces and much money has been spent by the Chinese Government in buying back Concessions already made.

The mention of monopolies probably refers to the controversies which have taken place between the Americans, the Japanese and ourselves on the question of Wireless Contracts and which are dealt with in a separate Memorandum prepared in the F[oreign] O[ffice].³

France has preferential mining rights in the Two Kuang provinces, Germany had preferential economic privileges in Shantung, we claimed something of the same kind in Shansi, and there are few provinces to which similar claims might not be advanced, on one pretext or another, by some foreign Power or Company. All these claims simply retard the economic development of the country and should be swept away.

(c) *Development of railways, including plans relating to Chinese Eastern Railway*

This is the keynote of the whole internal problem in China. The lack of reasonable means of communication accounts for most of the political and economic troubles from which the country is suffering. The railway in China works a complete transformation wherever it goes and trade increases by leaps and bounds all around it. But the half of China south of the Yangtze is practically destitute of railways and the country is at the mercy of every adventurer who can collect a rabble of soldiers and intimidate his neighbours.

China cannot construct railways herself because her people have not sufficient faith in the Government to subscribe the necessary capital. All the railways, with one exception, have been built by foreign capital and there has been a continual struggle between the Chinese Government and the foreign Concessionaire as to the degree of control and supervision which the latter should be allowed to exercise to safeguard the interests of the bondholders. Concurrently with this, there has been fierce competition and rivalry between some half dozen of Powers to secure Railway Concessions, with the result that the whole country is scored with railway claims. After much negotiation, the Consortium Banks devised a policy for replacing international competition by international co-operation, but China shows no signs of accepting the arrangement and railway construction, which made good progress in the years preceding the War, seems to be indefinitely postponed. It is

³ This memorandum of Oct. 10 is not printed.

sincerely to be hoped that the Conference will succeed in inducing the Chinese to fall in with the Consortium terms or to offer some practical alternative scheme of railway development. The present situation is intolerable.

Chinese Eastern Railway. This is primarily a question between China and Russia, but the collapse of the latter Power and Allied intervention in Siberia have made it a matter of international interest. The Chinese Eastern was the pioneer political railway in the Far East. The Japanese were not slow in following the Russian example and utilized railway construction in Corea and Manchuria as an instrument of territorial expansion. From the outset it was evident that their participation in Allied intervention in Siberia was largely influenced by the prospect it offered of consolidating their position in Manchuria and of securing control of the Chinese Eastern Railway. That would have given them complete mastery of Manchuria from Port Arthur to the Russian Frontier. That project has met with two main obstacles. In the first place, the Chinese have shown unexpected vigour in trying to get back their own from Russia and have succeeded in gaining substantial recognition of their interests in the Railway. In the second place, the United States, who have always shown a keen interest in the Railway problem in Manchuria (witness the Knox proposals of 1908 [*sic*]),⁴ succeeded in establishing an Inter-Allied system of control under the management of Mr. Stevens, an extremely capable man. Discussions are apparently still going on between the United States and Japan regarding the continuance of this arrangement which the Japanese seem reluctant to accept.

The Allies entered upon the ill-fated Siberian expedition⁵ under a solemn pledge to abstain from advancing their own interests. They are bound, therefore, in honour to see that this Railway, which is a Russian asset of which they have made use, does not pass under the control of any particular Allied Power. Either it must be administered by them all collectively or by China alone, if she is strong enough to do so, pending the re-appearance of a Russian Government.

(f) *Preferential Railroad rates*

It seems hardly worth while discussing all these details. You may discuss preferential rates in the form of 'rebates' and the numerous other devices that have been invented to cover up preferential treatment, but you will never get to the bottom of the question. The outstanding fact is that Railways owned, administered, and controlled by a Foreign Power in a country like China must in the very nature of things become powerful instruments for the development of that Power's economic interests to the eventual exclusion of all competitors. That truth has been established in Corea and

⁴ This appears to be a reference to a proposal for the neutralization and financing of the Manchurian railways put forward by the then U.S. Secretary of State, Mr. Knox, in 1909; see *F.R.U.S. 1910*, pp. 231-69.

⁵ i.e. the Allied intervention in Siberia in 1918-20, for the later stages of which see Vol. III, Chap. II.

Manchuria and will soon make itself felt in Shantung. I make this statement as one who has watched this system of railway development from its inception in Corea some 25 years ago until its latest phases in Manchuria and Shantung. The one and only remedy is that all Railways in China should be Chinese Government railways. Chinese Administration has many faults, but discrimination in favour of any one Power is not one of them.

(g) *Status of Existing Commitments*

This is probably inserted with the object of ascertaining the nature and extent of the numerous transactions which are alleged to have taken place between the Chinese and the Japanese during the period of the War in regard to Loans, Concessions, &c. They will probably be found to have been greatly exaggerated.

We have one or two commitments of our own the exact status of which it will be difficult to define—the Pritchard Morgan one in Szechuan,⁶ for instance.

What is to be the general conclusion after all these points are discussed? China's present helpless condition is due to the corruption and incompetence of her ruling classes and the exploitation of her weakness by Foreign Powers and their nationals. The political entanglements in Europe have had their re-action in the Far East for a quarter of a century—ever since Russia started upon her mad scheme of establishing an ice-free Port on the Pacific. Germany, France and Great Britain all had their share—direct or indirect—in this game in the earlier days, and in later years Japan has inherited all the Imperial spoils of Russia and Germany and added to them a great many of her own.

Free from European entanglements, the United States have never sought any territorial acquisition or exclusive privileges in China and it is fitting that they should now take the lead in trying to adjust a situation which is becoming a danger to the peace of the world.

China is politically disorganized and so weak as to be almost a negligible international entity. But her common people are probably the most frugal and industrious in the world and her mercantile classes have a world-wide reputation for commercial integrity. The Chinese are essentially a peace-loving race and are likely to remain so if they are fairly treated. But during the last few years there have been indications—still faint it is true—of a desire to throw in their lot with the militaristic party in Japan. In spite of her political confusion, China is making steady progress: her trade shows a yearly increase and the cities and towns are being gradually modernized. But it will take many years to adapt her ancient civilization to the requirements of modern progress and unless she receives the sympathy and support of Foreign Powers she may fail in the task. There is no royal road to the solution of the China problem. Foreign intervention, financial control, and all the other remedies which are suggested are more likely to aggravate the

⁶ See No. 99, n. 2.

evil than to cure it. China must in the main work out her own salvation and, given time, those who know her believe she can do it. The Washington Conference will have done a great service if it convinces the Powers that China should be conserved as the greatest potential market in the world and that in their own interests they should accord her their benevolent sympathy and reasonable time for putting her house in some sort of order.⁷

J. N. J.

⁷ Sir W. Tyrrell commented (Oct. 20): 'a valuable contribution to the discussion of the Pacific problem and should be printed for the information of our Delegates at Washington'. His minute was seen by Sir E. Crowe and initialled by Lord Curzon.

No. 400

Memorandum by Mr. Wellesley on the project for an extra-Consortium loan to the Chinese Government

[F 3694/3293/10]

FOREIGN OFFICE, *October 18, 1921*

Information reached the Foreign Office recently to the effect that the Royal Financial Corporation of Vancouver, British Columbia, Canada, alleged to be representing the Union Bank of Canada and other financial houses, concluded an Agreement on August 16th with the Chinese Government for a loan of 3 million gold dollars for one year with interest at 8% at the price of 89, the loan to be repayable from the surplus salt revenue in monthly instalments of half a million gold dollars, beginning March 1922.¹ Such a loan would be entirely contrary to the principles of the Consortium and energetic action to prevent its negotiation was immediately taken officially by His Majesty's Government through the regular channels² and also by Sir Charles Addis, who was in Canada at the time.

Although not a party to the Consortium Agreement, the Canadian Government fully recognised the importance of supporting the policy of the Consortium and have taken all possible action within their powers to prevent any Canadian Bank from helping to finance the transaction.

According to reliable information from a confidential source, the Royal Financial Corporation proposed to float 2 million dollars' worth of the loan in New York and not more than 1 million dollars in British Columbia.³ It is understood that it was not proposed that any public issue would be made in Vancouver, and that it has probably been intended to place the Canadian part of the loan in Vancouver amongst Chinese residents there. It was expected that the Banks concerned would be the Union Bank of Canada and

¹ The first report of such an agreement had reached the Foreign Office on Sept. 3 in Peking telegram No. 346 of Sept. 2, not printed.

² e.g. in representations from the Colonial Office to the Governor-General of Canada.

³ This information was conveyed in a telegram of Oct. 5 from the Governor-General of Canada (not printed), a copy of which was transmitted to the Foreign Office by the Colonial Office on Oct. 7.

the Park Union Foreign Bank Corporation, an American Corporation, the capital of which is understood to be controlled by the National Park Bank of New York. The Union Bank of Canada have emphatically repudiated any knowledge of the transaction.⁴ The Royal Financial Corporation are reported to be of secondary standing, and the Canadian Government are not able to exert any direct pressure on them beyond tendering advice, but in view of the extent to which American interests are reported to be concerned, the Canadian Minister of Finance has suggested that while he is ready to co-operate to the extent of his powers, pressure could be exerted most effectively and directly by the United States Government.⁵

It will be suggested to the British Group that they should communicate with the American Group on the subject, and it is confidently hoped that the United States Government will be prepared to take effective action, so far as they are concerned, to prevent the issue of the proposed loan.

⁴ This information, telegraphed by Sir Charles Addis, was communicated to Mr. Wellesley in a letter dated Sept. 10 (not printed) from Mr. H. D. C. Jones of the China Consortium Central Agency, 9 Gracechurch Street, London.

⁵ This suggestion was made in the telegram of Oct. 5 from the Governor-General of Canada mentioned in n. 3 above.

No. 401

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received October 20, 12 noon)

No. 410 Telegraphic [F 3829/132/10]

TOKYO, October 18, 1921

Press state that America has been asked and has consented to mediate between Japan and China about Shantung, but I understand from United States Ambassador that position is not materially different from that indicated in my telegrams Nos. 348 and 389.¹ He told me that his Government were ready to help (? Chinese) and (? Japanese) to get into better touch with one another but were unwilling to do anything which could be interpreted as arbitrating or trying to settle dispute.

Though I have recently noticed a more friendly tone towards America in official circles and an apparent hope that an understanding not unfavourable to Japan may be arrived at before conference meets, this feeling does not extend to press. Chauvinistic newspapers still express considerable hostility and suspicion and warn Chinese not to trust United States who are accused of trying to secure control of Chinese Eastern Railway and wishing to limit armaments merely for sake of their own selfish aims in China.

On the whole however press is in favour of a reduction of armaments.

¹ Of Sept. 12 and Oct. 11 respectively, not printed. In the latter Sir C. Eliot had reported that the Japanese cabinet were 'considering proposals that Great Britain and United States, or one of them, should be asked to intervene in some way . . . apparently Cabinet dislike the idea of asking for anything like mediation although they would be very glad if Great Britain or United States would *proprio motu* advise Chinese to negotiate'.

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 21, 3.30 p.m.)

No. 391 Telegraphic [F 3850/59/10]

PEKING, October 20, 1921, 9.20 p.m.

Tibet.

I carried out yesterday the instructions contained in your telegram No. 322¹ prefacing my remarks by observing that, while reluctant to postpone negotiations, His Majesty's Government were anxious to meet the wishes of the Chinese Government; they had taken note of the latter's assurances and would call for their fulfilment immediately Washington Conference was over.

Minister for Foreign Affairs observed that by 'immediately' I must of course mean at first favourable opportunity. I replied that I intended exactly what I had said and would brook no further delay and I quoted terms of his own note of September 10th 'without fail at earliest possible moment' after Pacific Conference had finished (see my despatch No. 533).² His Excellency . . .³ said . . .³ have learnt from conversation which Chinese Minister, London, had had with Your Lordship that His Majesty's Government were not in a mood to be trifled with over this question any longer; on the other hand, with goodwill, question could be settled in three weeks. Minister for Foreign Affairs ridiculed this idea and began to go over the old ground as to their reasons for conferring with the provinces, and as to the reason for breaking off previous negotiations which he had been studying, and repeated all the old excuses. I explained to him that the matter was perfectly simple, we had only to take up negotiations where they had been left when they were all but concluded and as he should be in a position to know were broken off on an entirely outside issue. Of this he pleaded total ignorance and again pretended that negotiations would take a long time and could not be disposed of as lightly as I seemed to think. I warned His Excellency once more that His Majesty's Government were in earnest and that if any further delay were attempted at the end of the Conference he must be prepared to see His Majesty's Government deal with Tibet without any further reference to China.

Repeated to Tokio. Sent to India.

¹ Of Oct. 15, not printed. This had instructed Sir B. Alston to make an oral communication to the Chinese Minister for Foreign Affairs to the effect that H.M.G. had taken note of the Chinese Government's assurance (see n. 2 below) and had informed the Tibetan Government accordingly. He was to add that, since the latter had been urged to maintain the *status quo* and to abstain from any provocation pending the resumption of negotiations, H.M.G. were relying upon the Chinese Government to exercise similar restraint.

² Of Sept. 15, not printed. This had enclosed a copy of a note of Sept. 10 from the Wai-chiaopu to Sir B. Alston in which it was stated: 'The view of this Government is that, as soon as matters concerning the Pacific Conference have been finished with, measures should be taken without fail at the earliest possible moment to open negotiations.'

³ The text is here uncertain.

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 326 Telegraphic [F 3768/132/10]

FOREIGN OFFICE, *October 20, 1921, 10 p.m.*

Your telegram No. 385.¹

I consider intervention on our part at present juncture would be unwise² and hope that with the Americans and ourselves acting as friends of the two parties a more satisfactory settlement, especially in the matter of the railway, may be reached at Washington, possibly outside the Conference, than is likely to be achieved by direct negotiation.

Repeat to Tokyo.

¹ Of Oct. 13, not printed.

² i.e. intervention in the Sino-Japanese negotiations regarding Shantung.

General Survey of Political Situation in Pacific and Far East with reference to the forthcoming Washington Conference¹

*[F 3823/2635/10]**

FOREIGN OFFICE, *October 20, 1921*

The shifting of the area of discussion from the comparatively restricted field of the Anglo-Japanese Alliance to the limitless problems of the Pacific opens up a vista of issues of great variety and complexity.

Unless care be taken to bear prominently in mind the guiding principles of British policy, there is considerable risk of the main issues becoming obscured amid the mass of detail and maze of intricacies of the lesser problems which go to make up the Pacific Question as a whole. Consequently, the danger of arriving at decisions on minor issues which are not in harmony with the dominating objective of British policy is a very real one.

A clear perception of the real ends of British policy seems therefore the first essential if such incongruous results are to be avoided, but before it becomes possible to lay down any guiding principles certain points require elucidation.

To begin with. 'What is precisely understood by the Pacific Question?'

The Pacific Question, though much discussed for many years past, is yet something of a novelty in the realm of practical politics. No exact definition of its scope has ever been attempted. In its broadest sense it can be stretched to embrace all questions affecting Powers possessing territorial or economic interests in the countries bordering on the Pacific, or in the islands of that ocean. In its narrower and more generally accepted sense it is synonymous

¹ This memorandum was prepared by Mr. Wellesley. The map which was attached to it is not reproduced.

with the Far Eastern Question, which, in Sir J. Jordan's words, may be briefly defined as 'Japan's policy in China'. However that may be, it is clear that for the purposes of the Washington Conference its scope may be taken to lie somewhere between the two extremes, and might aptly be described as confined to problems arising out of Japan's policy in China and in the Pacific.

Briefly put, therefore, the Pacific problem resolves itself into two main factors—

- I. The Far Eastern Question, viz., Japan's policy in China; and
- II. The question of the mastery of the Pacific.

If the above can be accepted as a sufficiently satisfactory definition of the scope of the Pacific Conference the question then arises, what, from the British point of view, could be regarded as a satisfactory solution of these two problems?

Before answering this question it becomes necessary to give a brief analysis—

- I. Of the aims and objects of the policies of the leading Powers;
- II. Of the aims and objects of British policy.

JAPAN

To take the *fons et origo* of the Pacific question first—Japan. The salient features of the situation are as follows: A young island nation has, within the brief space of fifty years, sprung from a state of mediævalism to the forefront of civilized nations, ranking now as a first-class military and naval Power, possessing a population of 80,000,000 (with dependencies), thrifty, industrious and enterprising, but confined within a restricted area exceedingly poor in natural resources. Labouring under the pressure of a rapidly growing population and other economic forces, she has been compelled to develop an expansionist policy, which can only be satisfied at the expense of other nations. The policies of exclusion adopted by the British Dominions and the United States, for economic and racial reasons, are to some extent responsible for forcing her to take the line of least resistance and to concentrate her efforts in the direction of the mainland of Asia—principally China. That policy has now developed into something more than mere economic expansion. It has come to aim firstly at the political hegemony of China, and, through China, at the ultimate supremacy of the yellow races under Japanese leadership. This is the mission Japan believes herself destined to fulfil. However much she may bow to the necessities of the moment, it must always be remembered that, like all Orientals, she is accustomed to think in centuries rather than decades, to bide her time and subordinate the present to the future. It is not, therefore, to be expected that she will ever definitely abandon ideals, which have come to represent not merely the creed of a political party but the faith of a nation. Their realisation is, of course, a dream of the future, and there is no reason to suppose that at Washington Japan will do otherwise than confine herself strictly to the practical questions of the moment.

The subjection of China can only be effected by two means: military coercion or economic penetration, or both combined. All the indications are that since the essential failure of the famous twenty-one demands² Japan is concentrating her efforts on the slower but surer process of peaceful economic penetration. In spite of her vast military and naval programmes, her immediate intentions are probably not aggressive. In fact, all the indications are that she wishes to place herself in so strong a defensive position as to be able to carry out her policy in China without molestation, and to cry 'Hands off China!' to all comers. She is credited with a sincere desire for a reduction of armaments for reasons of economy.³ With her naturally strong defensive strategical position she has nothing to fear from such a policy; on the contrary she would be relieved from the fear of foreign aggression and become free to pursue her own ends in China without let or hindrance; but he would be a bold man indeed who would infer from this that Japan had renounced all ulterior aims. It is a change of policy, but not a change of heart. Therefore a potential danger she always must remain.

Japan comes to the Conference in a somewhat suspicious frame of mind; she fears that it is merely a device for interference with her policy of expansion in China which to her is a vital necessity. Sooner than agree to any measures that would effectively check that process she would probably wreck the Conference. It should not be forgotten that she enters the Conference with the trump card in her hand—viz., racial discrimination—which she can use as an effective foil against any attempt to cross her path.

THE UNITED STATES

Until America's acquisition of the Philippines in 1898 her interests in the Far East were purely economic, and virtually still remain so. America has no territorial ambitions herself, but she views with suspicion and apprehension Japan's policy in China, and is determined to resist her imperialistic aims. Economically she is pledged to the 'open door' policy, and politically to the maintenance of the integrity and independence of China. The most active source of irritation between the two countries is the constant bickering over the Californian immigration question, which, more than anything else, serves to keep the embers of animosity perpetually smouldering.

It is not easy to gauge the attitude of mind in which the United States is likely to approach the Conference. To judge by the amount of public attention given to the Shantung question, especially during the last election campaign, it would seem that the United States Government is almost committed to an enquiry into this and other subjects relating to Japanese policy in the Far East. Moreover, China will probably do her utmost to encourage the United States along this path, and, as American interests in China are very great, the possibility that these may suffer may exercise a powerful influence in determining the line of action she will take. One thing, however, is certain. If any attempt is made to call Japan to account

² See No. 61, n. 18.

³ Cf. e.g. No. 350.

for her conduct in the past and to curtail her activities in the future, the failure of the Conference may be regarded as a foregone conclusion. It is, however, not unlikely that the United States Government will set greater store by the outward success of the Conference than by a real settlement of the Pacific question, in which case it is highly probable that they will be only too ready to eschew all dangerous topics and concentrate on those only where agreement is possible or indeed probable, contenting themselves with a discussion of generalities with the usual anodyne results as regards all subjects which threaten the success of the Conference.

It can hardly be said that the United States Government follow any clearly thought-out line of policy in the Far East. They profess to be animated by certain principles of an altruistic and self-denying character, but this lofty idealism is not entirely divorced from practical business instincts. In point of fact, their conduct is often erratic, inconsistent and bears the stamp of political inexperience.

Speaking generally, however, the aims of America are identical with those of Great Britain in that she has no territorial ambition, and only seeks security for her economic interests.

CHINA

The present state of affairs in China can only be described as chaotic in the extreme. It would be difficult to name a time when the Central Government at Peking stood at a lower ebb than it stands to-day. The revolution of 1911 and the disappearance of the Manchu Dynasty has left China a legacy of political turmoil and internecine strife, from the throes of which she has not yet emerged. The Central Government is almost impotent, utterly discredited, verging on bankruptcy, and entirely at the mercy of the Provincial Military Governors of the provinces who are the product of the revolution and the real rulers of China. The best that can be said of the present situation in China is that the country is working out her own salvation through bloodshed and strife to, we hope, happier conditions, but there is little prospect of any immediate improvement. It is, however, true that in spite of the prostrate condition of the Chinese Government signs are not wanting of progress in many directions, on the part of the great mass of the people, but though perceptible it is of exceedingly slow growth.

It is the weakness of China as much as the aggressive policy of Japan which is the constant source of danger in the Far East. The jealousies and rivalries to which it gives rise constitute the really disturbing element in the situation, for they make China a cockpit of international strife. It was the recognition of the fact that international co-operation must be substituted for international competition if peace is to be preserved which is responsible for the present consortium policy. China, as far as foreign politics is concerned, is too weak, and too much preoccupied in attempting to save her own skin to harbour any aggressive designs against other States. The Chinese, steeped in the teachings of Confucius, are essentially a pacific race, but it would be assuming too much to say that they are for all time incapable of developing

aggressive tendencies even as the result of foreign tutelage or the pressure of over-population, or both. The reckless procreation of the Chinese has already become a very formidable problem.

China goes to Washington in a spirit of supreme optimism. She regards her invitation to the Conference as a heaven-sent opportunity for ventilating her grievances against all and sundry, and relies on the support of America for their redress. It would not be wise to prophesy what questions she will raise, for the devious ways of Oriental diplomacy are capable of producing the most unexpected results.

GREAT BRITAIN

Until the advent of Japan as the pivotal political factor in the Far East, the supremacy of British economic interests and naval power went unchallenged. Though still first in the field economically, the situation has changed to our disadvantage in the matter of defence, and our inability to maintain adequate naval forces in Far Eastern waters has been urged as one of the main reasons for the renewal of the Anglo-Japanese Alliance, as we cannot afford to risk the open hostility of Japan. Since that is the situation, what should be the basic principles of British policy? They can be summed up as follows:

1. Peace in the Far East and Pacific.
2. Security for British possessions.
3. Security of British economic interests and equal opportunity with other nations for the expansion of British enterprise.

The above brief diagnosis of the political situation in the Far East shows that the Pacific Question has three distinct aspects, viz., racial, political and economic, but these three factors are so closely interlinked that it is not always possible to separate one from the other in dealing with any particular issue.

If we probe this problem to its depths it cannot be disguised that in the last analysis it is primarily and fundamentally racial in character, and that the political and economic aspects, important as they are, are in reality only secondary compared with the underlying racial problem. Although there is no danger of the question of race supremacy being forced to an immediate issue, it would, nevertheless, not be wise to ignore its potential danger in laying the foundation of our future policy. Racial conflict, though it has not yet reached an acute form, already finds expression in the policies of exclusion of Canada, Australia and the United States, though based largely on economic grounds.

It must never be forgotten that this policy of exclusion is to some extent responsible for the fact that Japan is forced to take the line of least resistance and expand at the expense of China, with the result that the process of peaceful economic penetration now in operation threatens gradually to exclude and ultimately supplant all European and American interests, and to undermine the integrity and independence of China, and with it the political stability of the Far East.

Thus it will be seen that the economic and political issues, though secondary in importance, are yet of more immediate concern than the racial. If the guiding principles of British policy have been correctly stated above, it remains to be seen by what actual means effect can be given to those aims under the three main headings—racial, economic and political.

RACIAL

1. To maintain and strengthen the white policy of the Dominions by means of white immigration into all British possessions, predominantly settled by the white race.

2. Closer co-operation with the United States, though not to the exclusion of Japan.

It is a fact which is apt to escape notice that, after centuries of undisputed sway, the first real break in the spell of white supremacy came with the triumph of Japan over Russia in 1904. The great war in Europe has greatly accentuated this effect by breaking up the solidarity of the white races, and has undoubtedly produced a profound impression throughout the coloured world, together with an immense loss of white prestige. A great deal would be done to restore white solidarity by a policy of closer co-operation with the United States.

ECONOMIC

1. The strengthening of the 'open door' policy, among other things, by the extension, where possible, of the principles of international co-operation on the lines of the consortium policy to other fields of enterprise, thereby minimising the danger of China's economic absorption by any one Power and safeguarding British vested interests and the principle of equal opportunity. Such a policy, however, should be tempered by special consideration and sympathy for Japan's vital need of economic expansion.

POLITICAL

1. To prevent any one nation from obtaining the mastery of the Pacific. This can only be achieved by a naval agreement between Japan, the United States and ourselves.

2. To prevent, as far as possible, the integrity and independence of China from being undermined by means of the economic penetration of any other Power.

3. To devise a policy of rehabilitation of China by means of international co-operation with a view to strengthening her powers of resistance against foreign encroachment.

4. To guarantee the political *status quo* and integrity of all States on the Western Pacific.

Though it may be simple enough to formulate the broad outlines of British policy in the Far East and Pacific in this way, it does not follow that every item is a fit or profitable subject for discussion at an International Conference. For instance, the racial aspect is one which cannot or should not be

discussed. Measures for the rehabilitation of China, such as the unification of railways, &c., are subjects far too complex to figure merely as single items of an overcrowded agenda, except for discussion on question of principle. Again, the 'open door', if thoroughly investigated, will be found to be so intricate and intangible as to lead only into the marshes of controversy with very little prospect of any solution.

In fact, the closer one examines all the facets of the many-sided problem of the Pacific the more one is forced to the conclusion that it should be our aim to eliminate, as far as possible, from the agenda of the Conference all questions not of basic importance upon which international agreement is a necessary preliminary precedent to the building up of a policy in detail.

Of basic importance there are only two desiderata:

1. A tripartite agreement or declaration of policy between the United States, Japan and Great Britain.⁴
2. A naval agreement as regards the Pacific.

All the other subjects are merely contributory but not basic in character.

If all the problems which come within the purview of the Far East or Pacific are to be fully discussed the danger of a breakdown of the Conference is enormously increased, for it will be found impossible to reconcile the many conflicting interests. If the Conference fails the political atmosphere will be infinitely worse for, while at present the conflict of aims is to a certain extent veiled, the failure of the Conference would leave us with a situation of open and undisguised animosities.

All, therefore, points to the conclusion that British policy should concentrate on an agreement on these two main issues which, if achieved, would surely constitute a real success, leaving all subsidiary matters for subsequent settlement by whatever means may seem most suitable—ordinary diplomatic action or special conferences for special purposes.

Nevertheless as it may not, probably will not, be possible to curtail the Agenda to this extent it becomes necessary to examine briefly all the questions which may be brought up for discussion, and to indicate the solutions which will best harmonise with the principles of policy as outlined above. Full details will be found in the series of memoranda annexed to this general covering statement, but the conclusions to be drawn in each case are suggested in the short notes which are given overleaf, and which are also prefaced to the memoranda.⁵

The following is an alphabetical list of the memoranda:⁶

- I. Cable and Wireless Developments in China.
- II. Chinese Eastern Railway.

⁴ A footnote on the filed copy here read: 'Strictly speaking, this is not a question for the Conference at all, but for the three Powers concerned.'

⁵ Limitations of space forbid the printing of these memoranda.

⁶ A footnote on the filed copy here read: 'The above memoranda do not cover questions such as Mandates, Panamá Tolls, Yap, &c., which are being dealt with by the American Department.'

- III. Consortium.
- IV. Currency Reform in China.
- V. Disbandment of Soldiers in China.
- VI. Extraterritoriality.
- VII. Foreign Concessions and Settlements in China.
- VIII. Foreign Control in Chinese Government Services.
- IX. Foreign Leased Territories and Spheres of Influence in China.
- X. Mongolia.
- XI. The 'Open Door' in China.
- XII. Philippines.
- XIII. Racial Discrimination and Immigration.
- XIV. Remission of the Boxer Indemnity.
- XV. Recognition by His Majesty's Government of Japan's Special Position in China.
- XVI. Shantung.
- XVII. Siberia and Saghalien.
- XVIII. Tariff Revision in China.
- XIX. Tibet.
- XX. Unification of China's Railways.

The following memoranda, which do not specifically relate to any particular question likely to arise, have been prepared for purposes of general information.⁵

- A.—British Commitments in the Pacific Ocean.
- B.—British Neutrality in the event of a Japanese-American War.
- C.—Japan's Outlying Possessions and Colonies.
- D.—Japanese Sphere of Interest.
- E.—Present Situation in China.
- F.—Present Situation in Japan.
- G.—Intervention in China.
- H.—British Interests in China and our Competitors.
- I.—Japan and the Open Door.
- J.—Macao.

ANGLO-JAPANESE AGREEMENT

His Majesty's Government consider that discussion in regard to a tripartite agreement, including the United States, or, alternatively, the renewal of the existing agreement with Japan alone, should not take place at the Conference itself, but only among the parties concerned. The only point calling for special attention is that it will not be possible to renew the military clauses on a tripartite basis, for it is certain that the United States will not subscribe to anything in the nature of an alliance. In view of the difficulty of securing ratification of an international instrument by the United States Senate, it is worth noting that an agreement between Governments in lieu of a treaty is equally binding, but, being an instrument of a lesser degree of solemnity, requires no ratification.

NOTE 1

Cable and Wireless Developments in China

This is a very complicated question. In view of the clash of international interests it is desirable to extend, if possible, the principles of the consortium policy to these interests in order to substitute international co-operation for international competition.

NOTE 2

Chinese Eastern Railway

This railway is one of the few concession railways. Apart from its obvious strategic value, its importance lies in the fact that it forms part of the main arteries of communication between the East and the West. It is therefore essential that it should not be allowed to fall into the hands of any one Power unless and until China is in a position to administer it herself efficiently, but this time is not yet.

NOTE 3

Consortium

The consortium represents the first practical step taken towards the realisation of the new policy of international co-operation which has succeeded that of spheres of influence. It is desirable to support the consortium in every possible way, and, if possible, to extend its scope to other fields of enterprise (e.g., cables and wireless).

The consortium may become an instrument of great value in preventing the disruption of China, and promoting its general welfare, although it must be taken for granted that China will do her utmost to circumvent this financial blockade.

NOTE 4

Currency Reform in China

The reform of the present chaotic currency system in China is of first class importance for the promotion of Chinese trade, prosperity and unity.

It is very desirable to induce China to accept the foreign assistance, without which no permanent reform seems possible.

NOTE 5

Disbandment of Soldiers in China

In most Chinese provinces the armies maintained by Military Governors are excessive, and are employed mainly to buttress their own personal positions. It is estimated that there are 750,000 effective troops, when 250,000 should be sufficient for all legitimate purposes, and the problem is to reduce these numbers accordingly.

There is little prospect of accomplishing this while the country is disturbed

as at present; but until this military incubus is removed and the surplus of troops is disbanded there can be small hope of a restoration of sane finance and stable government.

NOTE 6

Exterritoriality

China will no doubt press for the surrender of extritorial rights, but she is sure to meet with opposition from all the Powers concerned.

The present administration of justice in China certainly does not warrant a surrender of these rights. In the case of Siam, which is more advanced than China, our recent surrender of extritorial jurisdiction has proved far from satisfactory, and even in the case of Japan we have no reason to be pleased with her administration of justice where foreigners are concerned.

This subject does not admit of discussion.

NOTE 7

Foreign Concessions and Settlements in China

China may wish to secure the abolition of concessions and settlements. This is a matter intimately connected with the question of extraterritoriality, and in neither case can the surrender of our existing privileges be considered in the present condition of China.

NOTE 8

Foreign Control in Chinese Government Services

There would be no objection on the part of His Majesty's Government to the surrender of the British Post Office establishments in China, subject to certain essential safeguards, provided other Powers do the same; but opposition is likely to come from Japan.

The Chinese Post Office is now very efficient.

The abandonment of the present measure of foreign control over the customs and over the salt administration cannot be considered in the existing condition of China.

NOTE 9

Foreign Leased Territories and Spheres of Influence in China

The general restoration of leased territories is from many points of view a desirable end, and would be entirely in consonance with the policy of respecting the integrity and independence of China and that of her rehabilitation. In practice, however, it is unlikely that agreement will be reached. China and the United States might press for it, and while it might with difficulty be possible to restore Kwang Chow Wan (French), Tsingtao (Japanese) and Wei-hai Wei (British), the surrender of Dairen by Japan and of the Kowloon Extension (Hong Kong) by Great Britain are likely to prove a stumbling-block to a complete solution of this question.

The policy of spheres of influence has been superseded by one of international co-operation, and the consortium has been reconstituted to give affect [*sic*] to this new policy.

NOTE 10

Mongolia

Mongolia is much in the same position as Tibet, in that it is not part of China proper, and at the present moment is in a state of open revolt against China's suzerainty. Japan seeks to establish a claim to special interests, but recognition of any such claim, even if a valid one, would be contrary to the new policy of surrendering spheres of influence. In considering this question the possible attitude of the present or future Russian Government should be borne in mind.

NOTE 11

Integrity and Independence of China, and Maintenance of the 'Open Door'

As a principle of policy there will be no opposition to the reaffirmation of the integrity and independence of China. It may be possible to guard effectively against military coercion on the part of any one Power, but the real difficulty lies in preventing the independence and integrity of China from being undermined by economic penetration. The maintenance of this principle depends therefore essentially upon a satisfactory solution of the 'open door', which seems impossible of attainment.

Mr. Hughes has suggested that the 'open door' should be put on a 'firm basis'. His ideas, as summarised by telegraph from Washington,⁷ are as follows:

'The establishment on a firm basis of the Hay policy of the "open door" in China, expanded to become a policy of equality of commercial and economic opportunity throughout the area covered by the agreement. This obviously would not limit the power of imposition of a tariff, at least in the home territories of States—for example, in the United States itself, or in Japan or Australia.'

If a thorough enquiry into this subject is contemplated, it will be very difficult to avoid investing it at any rate with the semblance of a strong indictment against Japanese policy in China.

In discussing the 'open door', the points which have to be remembered are:

1. That the 'open door' has never yet been clearly defined.
2. That the nearest approach to a definition is to be found in the proposals made by Mr. Hay, its originator, in 1899.
3. That the Hay proposals referred only to certain very definite and very concrete measures susceptible of fairly easy control, such as no discrimination in tariff and shipping matters, no differential freights on railways, &c.

⁷ See No. 326.

4. That the 'open door', as understood to-day, has a much wider meaning than was contemplated by the Hay policy, and embraces all the factors which go to make up what is known by peaceful economic penetration, scarcely understood in 1899.
5. That it will be practically impossible to convict Japan of having violated the Hay policy, and that, as regards peaceful penetration in the larger sense, there is nothing to which we can point forbidding the practices, legitimate and illegitimate, which are alleged against her.
6. That, as the key to a policy of peaceful penetration is to be found in the economic organisation of the country which practises it as much as in the country in which it is practised, it is difficult to suggest a solution to a problem the causes of which lie largely outside international control. In these circumstances it is not surprising, therefore, that Japan is quite ready to discuss this subject.

If a satisfactory solution is possible, it would, of course, be entirely in harmony with the above principle of policy, and would remove the chief danger to the peace of the Far East, but the whole subject is so ramified, subtle and intangible that it is difficult to see how any solution is possible, least of all by a mere treaty stipulation.

NOTE 12

Philippines

If the United States carry out their expressed intention of granting independence to the Philippines, the tendency will be for these islands eventually to drift into the orbit of Japan, which would bring that Power appreciably nearer to Australia. The present American Administration are said to be opposed to the surrender of these islands. From the British point of view, this surrender ought not to be encouraged.

On the other hand, it should not be overlooked that the evacuation of the Philippines might eliminate a possible danger to the peace of the Far East, inasmuch as they are strategically a source of weakness to the United States and a constant temptation to Japan.

NOTE 13

Racial Discrimination and Immigration

Great Britain, the Dominions and the United States are all equally interested in avoiding a discussion of this subject. If it is brought up at all it will probably be by Japan as her trump card if the Conference press a settlement of some question inimical to her vital interests. Such tactics may be difficult to evade, for it must be remembered that while it was easy to brush this subject aside as irrelevant while discussing specific subjects, that argument disappears when the whole Pacific question is under review, for there is no subject more fundamental in the ultimate settlement of that problem.

NOTE 14

Remission of the Boxer Indemnity

Politically, remission would of course be helpful, though its political advantage to any one Power will be lessened if all the chief Powers remit at the same time. Should we be able in remitting to stipulate for the education of Chinese students on British lines with the money, and also to induce the Chinese to accept internal reforms in such matters as currency reform, unification of railways, disbandment of soldiers, &c., the combination of advantages secured for British political and economic interests may justify remission. Remission as a *beau geste* made at the British taxpayers' expense seems difficult to justify in present circumstances on political grounds alone.

NOTE 15

Recognition by His Majesty's Government of Japan's Special Position in China

The recognition of any special rights and interests of a foreign Power in China is fundamentally inconsistent with the surrender of the spheres of influence policy, which has now been succeeded by that of international co-operation. How far the assurances given by Lord Grey in 1914⁸ have been affected by the inauguration of the new policy may be open to question.

The new policy finds its chief expression in the recently-formed consortium, and in the preliminary negotiations His Majesty's Government and the United States Government strongly and successfully resisted an attempt by the Japanese Government to exclude South Manchuria and Eastern Inner Mongolia as being regions of vital interest to Japan.⁹ The Japanese Government were finally content with an assurance that no operations would be countenanced inimical to the economic life and national defence of Japan. This might be taken as the measure of our recognition of Japan's special position in these areas. Her position in Shantung is on a different footing and is separately dealt with.

NOTE 16

Shantung

Unless an agreement is reached by Japan and China before the Conference meets, the latter will almost certainly press for a revision of the Versailles decision in regard to Shantung, and will seek to secure American support. How far the United States Government are committed to or bent on bringing up this question it is difficult to say. Japan will most certainly resist any such proposal on the ground that it is a *chose jugée*, and that the decision of Versailles must be upheld. Having ourselves been a party to that decision, our attitude must at least be neutral.

⁸ In Feb. 1914 Sir Edward Grey (as he then was) had told the Japanese Ambassador that he was ready, under certain conditions, 'to recognise the Japanese sphere of interest in Manchuria, and to decline to support British railway enterprises there'; in Aug. 1914 he told him that Great Britain 'had no designs whatever upon Kiao-Chow'.

⁹ See Vol. VI, Chap. II *passim*, and Nos. 1, 2, 6, 10, 11, 12, 14, and 34, n. 1, above.

In accordance with the Versailles decision Japan agreed to restore Kiaochow to China in full sovereignty, retaining only the German economic rights. In other words, she agreed to restore the shadow and retain the substance.

A reversal of this decision is in itself desirable, if only on the ground that it is utterly subversive of the principle of maintaining the integrity and independence of China, to which both Japan and ourselves are pledged. It would be politically unwise for His Majesty's Government to attempt to act as mediator between China and Japan on this subject, but should the discussions at the Conference wax hot, an opportunity may present itself for pressing for a settlement on the basis of—

- I. Surrender by Japan of control over the Tsinanfu-Tsingtao Railway.
- II. An international settlement at Tsingtao itself.

These two points constitute the crux of the problem. The first removes the most effective weapon of peaceful penetration from the hands of a foreign Power, and the second places international interests at Tsingtao on a footing of equality.

The Japanese recently renewed their overtures for a settlement to the Chinese Government on a more liberal basis, but the latter have declined the offer.¹⁰ The Japanese have, however, made no abatement in their demands as regards the railway.

NOTE 17

Siberia and Saghalien

The policy of the Japanese will presumably be based on maintaining as much of their temporary acquisitions at the expense of Russia as their conception of America's attitude and their own power of territorial digestion will lead them to consider compatible with the continuance of harmonious relations at and after the Pacific Conference. It would not appear obligatory on Great Britain to take any initiative in the matter beyond suggesting the importance of stating that any retention of, e.g., Northern Saghalien or Nicolaievsk, to which the Americans may agree, shall be in the nature of a purely provisional arrangement pending the negotiation of a definite arrangement with a reconstituted Russia.

NOTE 18

Tariff Revision in China

His Majesty's Government would be glad to agree to an increase of the Conventional Tariff in return for the abolition of inland *li-kin* duties. Unfortunately, the present is not a propitious moment for raising the question, as, in view of the political chaos now existing in China, it is impossible to obtain any guarantee that engagements entered into by the Central Government would be carried out in good faith.

¹⁰ See No. 397, n. 2.

NOTE 19

Tibet

There are indications that China may endeavour to bring up this subject. Such an attempt can be resisted on the ground that Tibet has nothing to do with the Pacific.

NOTE 20

Unification of China's Railways

This is really part of the policy for the rehabilitation of China, and is one of the first aims of the consortium. It is mainly a problem of finance and Chinese obstructiveness. To elaborate and enforce a plan by general agreement would probably meet with the most pronounced Chinese opposition, as tending to encroach on China's sovereign rights.

The unification of railways is in itself a very desirable end, and an essential step towards building up a policy of rehabilitation of China, but it is questionable whether such a problem can be adequately dealt with by the Washington Conference.

VICTOR WELLESLEY

No. 405

Foreign Office Memorandum respecting a Tripartite Agreement¹

[F 3930/2905/23]*

FOREIGN OFFICE, October 22, 1921

The possible development of the present Anglo-Japanese Alliance Agreement into a Tripartite Agreement between Great Britain, Japan and the United States of America was favourably considered by the Imperial Conference last summer. On the 7th July last His Majesty's Ambassador at Washington telegraphed: 'I understand Mr. Harvey (United States Ambassador in London) is also instructed that United States Government desire the approach of [desires to approach sympathetically]² any proposals emanating from His Majesty's Government, which have as their object the replacement of the Anglo-Japanese Alliance by British-American-Japanese declaration of common policy. Both the President and Mr. Hughes are in favour of movement in this direction, but wish and expect that the initiative will rest with His Majesty's Government' (see Appendix (A)).³ On the 15th October Sir C. Eliot telegraphed from Tokyo that the Japanese Minister for Foreign Affairs would welcome question as to Anglo-Japanese Alliance and its possible conversion into a Tripartite Agreement. Count Uchida thought, however, that it might be more convenient for the delegates of the three

¹ This memorandum was prepared 'for the information and guidance' of H.M. delegation to the Washington Conference.

² See No. 326, n. 3.

³ This Appendix was a copy of Washington telegram No. 467, i.e. No. 326 above.

Powers to discuss this at Washington (Sir C. Eliot's telegram No. 404 of the 15th October, 1921).⁴

It is clear that if such a Tripartite Agreement is to be substituted for the Anglo-Japanese Alliance Agreement it will be necessary to eliminate from the new instrument of [*sic*] military commitments such as are contained in articles 2 and 5 of the Anglo-Japanese Agreement; for otherwise the United States can never be induced to become a party. Stripped of military clauses, the Anglo-Japanese Agreement loses its character as an alliance and becomes merely a declaration of policy of a nature similar to that of the Takahira-Root or Ishii-Lansing Agreements.⁵ A formula for an agreement on a tripartite basis must necessarily be confined to general principles of policy and therefore be of a somewhat anodyne nature.

Two formulæ have been suggested, one by Sir A. Geddes and the other by Sir J. Jordan.

The first (see Appendix (A)) embodies the essentials likely to be aimed at by the United States Government. The first two clauses in this formula are unexceptionable; but with reference to the third clause, it is not desirable that His Majesty's Government should become enmeshed in the intricacies of international finance, as apparently contemplated.

The alternative formula drafted by Sir John Jordan is shown in Appendix (B).⁶ Clause 3 of this agreement would give us something substantial if honestly interpreted and observed. It is practically an undertaking to take common action, and precludes isolated action by any of the signatories or by third parties in a sense hostile to the principles enunciated in clauses 1 and 2. That may be found to have some practical value, and it is something positive—though modest—to put in the place of the Anglo-Japanese Alliance.

In view of the fact that each of the interested parties is especially afraid of the danger of a hostile combination—Great Britain of a Japanese-German-Russian combination; Japan of a British-American combination; America of an Anglo-Japanese combination—a further safeguard might be considered in the form of a fourth clause, restricting each contracting party from entering into any arrangement or political combination inimical to any signatory of the declaration.

For the purposes of a British policy, a Tripartite Agreement between the principal parties—Great Britain, Japan and United States of America—is all that is really required; but the advisability of admitting other parties (especially China) having interests in the Pacific may well be considered. It should not be lost sight of, however, that a multilateral agreement, which does not include the United States, would be of no value to us at all; for by adhering to such a document we should be merely losing our present hold over Japan.

Any formula, upon which we may eventually agree, should be held in reserve. It is desirable that the Americans should first suggest a formula of

⁴ No. 397.

⁵ For these Agreements cf. Nos. 97, n. 10, and 212, n. 7.

⁶ Printed below.

their own. If and when their suggestion proves impracticable, it will be time enough to state our own formula as a basis for discussion.⁷

APPENDIX (B) TO No. 405

Formula (drafted by Sir J. Jordan) for a Tripartite Joint Declaration

The Governments of Great Britain, Japan and the United States, recognising the identity of their interests in Eastern Asia and the Pacific Ocean, and being desirous of co-ordinating their aims and intentions and bringing them into closer harmony with present-world conditions, have decided to replace the agreements and arrangements existing between them, viz., the agreement between Great Britain and Japan of the 13th July, 1911, and the arrangements embodied in the exchange of notes between the United States and Japan of the 30th November, 1908, and the 15th November, 1917, by the following declaration of common policy:

'1. The three Governments agree to respect the territorial possessions severally belonging to them in Eastern Asia and the Pacific Ocean, and to use at all times their best endeavours to promote the maintenance of general stability and continued peace in those regions.

'2. The three Governments declare their resolve to preserve the common interests of all Powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for the commerce and industry of all nations in the territory of the Chinese Republic.

'3. Should anything occur to endanger the fulfilment of this declaration and the attainment of the aims and objects to which it gives expression, the three Governments will communicate with each other fully and frankly, and will consider in common what measures should be taken to deal with the situation thus created.'

(A copy of this declaration will be furnished to the Chinese Government, who will be invited to adhere to the principles which it enunciated.)

N.B.—To the above formula, the addition of the following fourth clause might be considered:

'4. Each of the three Governments hereby affirms that it will not be a party to any arrangement or political combination inimical to any signatory of this declaration.'

⁷ Lord Curzon's comment on the foregoing memorandum was as follows: 'The principles are unexceptionable. The weak point is that (apart from removal of the suspicions of America, which is of course valuable) we shall certainly be left worse off than before. For we shall lose the advantages of the Anglo-Japanese Agreement, which have been and are considerable. I do not allude to the obligations of military support which are obsolete, but to the steadying influence which the Agreement has exercised in international politics, the gain to our Eastern policy of having a close alliance with the most powerful Eastern nation, the help given to us in war by the Japanese, and the undeviating support which we receive from them in Allied Conferences. I regard the loss of these advantages (if we do lose them) with no small apprehension and am not at all sure that they will be compensated by a temporary conquest of the *beaux yeux* of America. C 23/10.'

Sir,

FOREIGN OFFICE, October 24, 1921

The Chinese Minister asked to see me this afternoon and, when he came, enquired whether I had any words of advice to give to the Chinese delegation before they started for Washington.

I replied in the affirmative. I had, I said, watched with great interest, and even with some disappointment, the recent rather polemical exchange of notes between the Chinese and Japanese Governments over the question of Shantung.¹ Into the merits of that question I did not propose to enter, but the broad facts seemed to me to be these: Japan was exceedingly anxious to come to an arrangement, and was prepared to stretch a good many points in order to obtain one. China, on the other hand, had adopted rather an obstinate attitude, possibly because she thought she could get better terms at Washington than she could by separate negotiations in advance. Thus an atmosphere of some tension had been created between the two parties. I thought it was a pity that this situation should continue, and I earnestly hoped that the Washington Conference would be made the occasion for the settlement of the dispute, not inside the conference but outside it, by negotiations in which I felt sure that both Great Britain and America would lend a friendly and helping hand, if the opportunity arose to do so. America was known to be a warm friend of China; Great Britain, on the other hand, had influence with Japan; and I could not help feeling sanguine that by the good offices of both parties a solution might be reached.

Mr. Wellington Koo wanted me to say that the British delegation would adopt an attitude in accord with the Chinese contentions, particularly about the Shantung Railway.

As to this, I replied that I could give no pledge, because I could not feel certain how far Mr. Balfour, who would be representing Great Britain, might be bound by decisions arrived at at the Paris Conference, of which he had been a member; but that he would enter into the negotiations in the most friendly spirit, I felt sure.

The Minister said that he attached great importance to this advice, with which he was personally in agreement. He would press it upon his Government, who would not be unreasonable, and he had every hope that a satisfactory conclusion might be attained.

I went on to say that I thought that the principle which should inspire the minds of the conference was that which had already found expression in the financial consortium. China must give up the policy of trying to play off one European Power against the other. In the union of the Powers, and in their co-operation for the development of China, rather than in their rivalry, lay the salvation of the latter. China, I thought, would make a great mistake if she opposed the consortium either in letter or in spirit. I would like to extend the principle to a wider sphere of action; in it might be found a

¹ See No. 397, n. 2.

solution for many questions, such as the railways and others. China would be much more likely to recover her position and attain financial and economic stability if everyone joined hands to help her, than she would be if she intrigued or made claims which individual Powers were bound to resist.

I ventured to offer to the Chinese Minister a third piece of advice. While I hoped that the conference would do a good deal to strengthen the position of China—although I feared it could hardly give her what she most lacked at this moment, namely, a strong Government—and while I hoped that the fears of Japanese aggression might be dispelled, I yet felt that China would do well to recognise the fact that at her very doors lay a powerful, highly-organised, ambitious State, whose population must inevitably overflow the territories which they at present occupy, and which would be driven to impinge upon its neighbours. Would it not be sound statesmanship to steer Japan away from the great industrial areas of China proper, and push her—so to speak—to the north? Manchuria was not a part of China proper; it was one of the outer territories, inhabited originally by a different people. Japan had been enabled, partly by conquest, partly by the concessions of the Chinese Government itself, to acquire a position there which it was impossible to shake or altogether to ignore. It had, indeed, been definitely recognised in the agreement which the American Secretary of State, Lansing—presumably a warm friend of China—had concluded with Viscount Ishii, on behalf of Japan.² My own inclination, if I were a Chinaman, would be to allow the Japanese to expand, under reasonable conditions, in that direction, rather than to bring them down upon the main body of China.

Mr. Wellington Koo did not dispute any of these propositions, but he remarked that, in his opinion, what Japan was out for was not so much an outlet for her surplus population, as a means of acquiring complete control over the economic and industrial resources of China, and reducing the latter to an ultimate position of vassalage. It was for this reason that she had cast her eyes upon Manchuria. Even so, the Japanese emigrant population which had settled there was relatively small, while the real Chinamen continued to pour in, in vastly superior numbers, from Shantung and the adjacent territories in Northern China. His country did not want, therefore, to do anything to encourage the pretensions of Japan.

I said it was a pity she had not awakened to this danger a little earlier in the day. The weakness of her position lay not merely in the infirmity of her Government, but in the concessions which she had already made herself.

Mr. Wellington Koo pleaded very urgently in conclusion for the general sympathy and support of the British delegation at Washington, and accepted with gratification my assurance that the closer the confidence between our representatives the better would I, at any rate, be pleased.

He concluded by expressing his intention to be back in London for Christmas—an expectation which I said that I could not share.

I am, &c.

CURZON OF KEDLESTON

² See No. 212, n. 7.

No. 407

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 26, 11.45 a.m.)
No. 398 Telegraphic [F 3933/2/10]

PEKING, October 25, 1921, 12.20 p.m.

Arms embargo.

H.M. Consul General Canton recently reported that further large supplies for arsenal, of which an American was appointed engineer-in-chief last March, were reaching Canton.

U.S. Naval Attaché admitted that supplies were being imported *via* Manila and deplored that absence of necessary legislation in United States made this possible (see my telegram No. 49 and Washington telegram No. 149).¹

Again Germany not being a party to Arms Agreement of May 1919, German firms are reported to be actively importing munitions of war and aeroplane parts.

I venture to think question sufficiently urgent for discussion at Washington.

¹ Of Jan. 22 and March 15 respectively, not printed.

No. 408

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received October 26, 4.10 p.m.)
No. 400 Telegraphic [F 3958/2635/10]

PEKING, October 25, 1921, 4.40 p.m.

My telegram No. 392.¹

In view of financial situation the representatives of four Consortium Powers are of opinion that request for a surtax on Customs pending revision of tariff, if put forward at Washington, should be acceded to provided that agreement were accompanied by condition that some form of control satisfactory to China and to Powers should be . . . ed proceeds.²

At present moment Inspector-General of Customs has put before Chinese authorities scheme for surtax of 20 per cent. on present maritime customs collection which would yield fourteen million dollars annually. This would be sufficient to cover issue of short-term debentures or bonds of fifty million dollars at 8 per cent. Latter amount would suffice to pay off existing charges on salt-petre surplus³ and thereby release estimated unencumbered

¹ Of Oct. 20, not printed. In this Sir B. Alston had reported a conversation with the Chinese Minister for Foreign Affairs on Oct. 19 in which the Minister had referred to China's desire for a surtax on the customs tariff.

² The text is here uncertain. The text received at Tokyo read: 'be instituted on proceeds'.

³ The second part of 'salt-petre' was crossed out on the filed copy, leaving 'salt surplus'. The text received at Tokyo read: 'salt gabelle'.

salt surplus of forty-two million dollars. This surplus would have to be controlled to prevent (? raising) pledge⁴ again. Control suggested would be in form of a trust vested in Minister of Finance, Chinese Banks Association and Inspector-General of Customs. Receipts would be paid into Treasury and payments made under joint authority of Trust.

Inspector-General of Customs considers that being in Chinese service his control would not nominally be foreign (though it would be equally effective) and that Chinese may accept it without loss of face. He is emphatic that any other form of control will meet with most strenuous opposition.

My colleagues and I, while prepared to advocate this proposal as a purely provisional measure, realize that with Pacific Conference approaching it may prefer to let situation disentangle itself rather than to assist its⁵ keeping up appearances at Washington which is all that above scheme could hope to accomplish by providing immediate funds for running expenses of Government.

Inspector-General of Customs on the other hand considers that, if control suggested is accepted by Chinese, scheme will prevent threatened dissolution of the country and pave the way for more comprehensive arrangement for re-habilitation of Chinese finances.

Could not scheme of control for the latter, preferably to be exercised by Consortium, be examined at Washington possibly outside Conference (see my despatch No. 579)?⁶

It may not be possible to save the present Government nor is it necessarily expedient to do so. There is no likelihood that an eleventh-hour rescue would render them more efficient or less corrupt but whatever Government emerges from present crisis will certainly require money to carry on administration, and plan outlined above appears only feasible means of obtaining it. My Consortium colleagues are telegraphing to their Governments in a similar sense.⁷

I am aware that a surtax for benefit of Government which does not protect commerce will be unpopular with British merchants throughout China but famine relief surtax is still being collected, and scheme would be merely an additional 10 per cent. to realise a total of 20 per cent., and only be required until tariff revision has been accomplished. Latter will assuredly yield more than a 20 per cent. surtax on present total collection and as revision of tariff will undoubtedly be asked for at Conference there should be no objection in principle to conceding surcharge on conditions imposed.

If Chinese Government should put forward request for surtax on above terms of control, I can only suggest that I be authorized to agree, provided that my Consortium colleagues are similarly authorized, on the understanding that (1) measure is purely provisional, i.e. pending tariff revision, in order to tide over present emergency, and (2) that larger question of China's

⁴ This passage was amended on the filed copy to read: 'to prevent its being pledged'. This was the wording in the text received at Tokyo.

⁵ In the text received at Tokyo this word read 'in'.

⁶ Of Oct. 6, not printed.

⁷ Cf. *F.R.U.S.* 1921, vol. i, pp. 346-50.

unsecured debts and financial position generally must be made subject of discussion between China and Powers.⁸

Repeated to Tokyo.

⁸ Sir B. Alston wrote a fuller account of the discussions on Sir F. Aglen's proposals in his despatch No. 632 of Oct. 31 to Lord Curzon, not printed. This enclosed copies of two memoranda by Sir F. Aglen on his proposals.

No. 409

*Memorandum respecting the withdrawal of Foreign Troops from North China*¹

[F 3967/123/10]

FOREIGN OFFICE, October 27, 1921

The British garrison is stationed in North China in virtue of articles 7 and 9 of the Protocol of 1901 (Resumption of Friendly Relations with China after the Boxer insurrection)² for the purpose of protecting the Legation in Peking and of occupying, in conjunction with the troops of the other Powers, Tientsin and certain points on the railway with a view to keeping open communications between Peking and the sea.

In 1914, just before the outbreak of the War, the strengths of the various foreign forces stationed in North China were approximately as follows:

Officers and Men

American	.	.	.	1,100
Austrian	.	.	.	80
Belgian	.	.	.	30
British (white)	.	.	.	2,050
British (Indian)	.	.	.	860
French	.	.	.	1,250
German	.	.	.	460
Italian	.	.	.	210
Japanese	.	.	.	1,750
Dutch	.	.	.	30
Russian	.	.	.	50

totalling nearly 8,000 in all.

During the War the British white troops were withdrawn, and the British portion of the international army of occupation was furnished entirely by Indian troops, while the French colonial regiment was similarly replaced by Annamite troops. After the conclusion of peace it was pointed out that it was derogatory to British prestige for the Legation Guard to consist of native Indian troops, and the latter were consequently replaced in Peking by a company of British white troops.

¹ This memorandum was prepared in the Far Eastern Department of the Foreign Office.

² Cf. Nos. 86, n. 3.

The present strengths of the various foreign forces stationed in North China are approximately as follows:

Officers and Men

American	1,490
Belgian	20
British (white)	300
British (Indian)	750
French	1,300
Italian	40
Japanese	1,100
Dutch	50

totalling some 5,000 in all.

The British troops in North China, who used before the War to constitute an independent command under a Brigadier-General at Tientsin, are now a portion of the 'Forces in China', under the command of the General at Hongkong.

In September 1919 the War Office proposed that the British garrison in North China should be dispensed with for reasons of economy, it being pointed out that the Army Council had never regarded this North China garrison as necessary from the point of view of Imperial strategy. On this proposal being referred to H.M. Minister at Peking for his observations, Sir J. Jordan gave it as his opinion that there were grave objections to a withdrawal at that time, that it could only be done in agreement with the co-signatories of the 1901 protocol, and that the proposal was not feasible under the conditions then in force.

Since then conditions in China have grown worse rather than better.

In 1920 the question arose, in connection with the provision of barrack accommodation at Tientsin, as to the length of time likely to elapse before the British garrison could be withdrawn. Telegraphing in September of that year H.M. Chargé d'Affaires at Peking confirmed a previous opinion that it would be five rather than three years before the British garrison in North China could be reduced without risk to British interests.³ This view was presumably based on the continuance or otherwise of internal disturbances in China, concerning which it is obviously impossible to make any satisfactory forecast.

The Chinese would, of course, welcome the withdrawal of the foreign troops in North China, and may conceivably raise the question at Washington. They did in fact put forward a demand in this sense at the Versailles Peace Conference. The Supreme Council replied that these were questions which lay outside the scope of the Conference, and referred the Chinese Delegation to the League of Nations when constituted.

As stated above British troops are maintained in North China in virtue of a multi-lateral arrangement, that is to say the Protocol of 1901; and it

³ See No. 101.

would therefore be necessary to notify, and obtain the consent of, the other parties to that instrument before they could be withdrawn. But apart from this point, and the important question of our prestige in the Far East, a withdrawal of British troops alone would be playing directly into the hands of the Japanese, who would be only too ready to assume further responsibility for the protection of foreign lives and property in Peking and North China.

It is therefore assumed that we could only consider the possibility of withdrawing the British garrison when all the Powers maintaining troops in North China agree to do likewise. On that condition there would be much in favour of a withdrawal, if only the Chinese would give any indication of an intention to put their affairs in order. But, even in the present disturbed state of China, while it is true that foreigners in Peking are always exposed to the dangers of rioting and looting and other disturbances incidental to Chinese civil war (though to a less degree than those living entirely unprotected in many distant interior cities, such as Chengtu in Szechuan), and while it must be admitted that the presence of foreign troops in the capital often exercises a stabilizing effect on the situation, it is perhaps a matter for consideration whether the danger of another anti-foreign rising in China like the Boxer movement of 1900 is not now remote, and whether the retention of the foreign troops in Tientsin and Peking is any longer essential to the safety of the foreign communities in those cities, who could probably be adequately protected in the event of riots and minor disturbances by volunteer organisations like the Shanghai Volunteer Corps.

It must, however, be admitted that while a general withdrawal of the foreign troops from North China is possibly unobjectionable in principle, the present moment, when the Chinese Government is reported to be once more on the verge of collapse and the general situation in China is drifting on from bad to worse, is singularly inopportune for its application.

In any case no action should be taken without first consulting H.M. Minister at Peking, while any important alteration of the present arrangements would clearly be premature until the results of the Washington Conference, which may modify our whole policy towards China, are known.

E. TEICHMAN

No. 410

The Marquess Curzon of Kedleston to Sir C. Eliot (Tokyo)

*No. 221 Telegraphic [F 3992/223/23]**

FOREIGN OFFICE, October 29, 1921, 12.25 p.m.

In general discussion of Far Eastern question, both in the press and elsewhere, much stress is being laid upon vital need of Japan to find room for expansion, exclusive policy towards immigration adopted by British Pacific dominions and United States and consequent claim of Japan to sphere of expansion on mainland of Asia.

Please telegraph full statement of your views and facts, paying special attention to question whether Japan's population is increasing at sufficiently rapid rate to justify this line of argument, and whether you think Japanese are in any event capable of holding their own against Chinese economically on equal terms.

Very probably special stress will be laid on this aspect of Far Eastern problem at Washington Conference, and your reply will be repeated to Sir A. Geddes for information of British delegates.

Repeat to Peking.

(Repeated to Washington, No. 660.)

No. 411

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 339 Telegraphic [F 3929/3510/10]

Urgent

FOREIGN OFFICE, *November 4, 1921, 6 p.m.*

Your telegram No. 389 (Macao).¹

In view of unreasonable attitude of Chinese and our Treaty obligations to Portugal, following course of action is proposed so soon as concurrence of Departments concerned has been obtained:

1. While incident of September 16th must be left for those on the spot to deal with, it will be made clear to the Chinese that the matter cannot be settled *ex parte*, and that His Majesty's Government will be compelled to support the Portuguese in the event of active Chinese aggression.

2. Having regard to Mr. Jamieson's view that Chinese claim is morally, although not technically, justified,² Portuguese Government will be asked whether they will be willing as an act of grace and without prejudice to the eventual settlement to allow the Chinese the free and unhindered use of the half of the harbour which gives them access to their own territory. In that case His Majesty's Government would for their part advise the Chinese to discuss *modus vivendi* in a reasonable spirit and intimate that the withdrawal of the gunboat must be a condition precedent to any discussion.

3. Portuguese Government will be pressed to proceed with submission of matter to League of Nations in order that steps may be definitely initiated to secure final settlement of whole boundary question.

4. Please telegraph urgently any further observations you may have.³

¹ No. 398.

² This opinion had been expressed in Mr. Jamieson's telegram No. 5 of Sept. 27, not printed; cf. No. 389.

³ In his telegram No. 418 of Nov. 7 (not printed) Sir B. Alston replied that he agreed with the proposed course of action, but considered that 'any communication to Chinese Government or local action should be the result of Portuguese Minister's present attempt to initiate *pourparlers*'. At the same time he was authorizing Mr. Jamieson 'to hint to Cantonese authorities, at his discretion', that H.M.G. could not 'remain indifferent to continuance of strained relations which must result from refusal of Chinese to render friendly discussion possible . . . through non-removal of gunboat'.

No. 412

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington)

*No. 1454 [F 3933/2/10]**

FOREIGN OFFICE, *November 4, 1921*

Sir,

With reference to your Excellency's telegram No. 149 of the 15th March¹ and recent correspondence on the subject of the attitude of the American Government towards the China arms embargo,² I transmit to you herewith copy of a telegram from His Majesty's Minister at Peking, reporting the arrival at Canton of further supplies of arsenal machinery from Manila.³

2. The question scarcely seems to be one suitable for discussion at the Washington Conference, but I should be glad if you would make representations on the subject to the American Government.

3. As regards the reference to Germany in Sir B. Alston's telegram, the export of arms from that country is of course prohibited by article 170 of the Peace Treaty. In so far as German nationals in China are concerned, Germany has lost her extraterritorial rights, and is therefore, even if she were willing, no longer in a position to prevent them from importing arms from other sources into China.⁴

I am, &c.

CURZON OF KEDLESTON

¹ Not printed: cf. No. 407.

² See e.g. Nos. 203, n. 3, 209, 221, 240, 244, and 259.

³ No. 407.

⁴ In a subsequent telegram No. 358 of Nov. 28 to Peking (not printed), with reference to an enquiry by Messrs. Babcock & Wilcox, Lord Curzon said that he did not think it necessary to discourage the supply of boilers to Chinese arsenals since these did not come within the definition of the embargo and could no doubt be obtained from other sources.

No. 413

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston

(Received November 8, 10.30 a.m.)

No. 434 Telegraphic [F 4119/223/23]

Urgent

TOKYO, *November 7, 1921 [11 p.m.]*

Your telegram No. 221.¹

1. Increase of population. After careful examination² I am inclined to think danger of over-population and failure of food supply in Japan has been somewhat exaggerated. But all published figures must be used with great caution. First real census was taken this year, previous estimates of the population having been compiled from registers which apparently meant that considerable numbers of people were counted more than once. Result

¹ No. 410.

² The text as sent here included the words 'of statistics'.

of it is that the census figures published this year are lower than the estimates of previous years, although population has undoubtedly increased. Also calculations of future food supply are very doubtful on account of notorious uncertainty of the rice crop and the difficulty of saying how much land (? now) uncultivated is capable of producing rice.

Last census gives population of Japan proper as about 56 millions. In recent years annual increase has probably been about 13 per 1,000, but this rate of increase (? shows) a tendency to diminish, probably on account of influx of rural population into the towns where sanitary conditions are inferior.

At present there is no obvious over-crowding. Unemployment, though increasing, is less than in many other countries. I am told that textile mills imported³ numerous male and female operatives from Corea (? because) they cannot obtain Japanese labour. Corean labour is no better or cheaper, and the only explanation is that Japanese, who are not specially fond of this work, have no difficulty in finding other employment. Nor is population forced to emigrate. According to Japanese official statistics, total number of Japanese outside Japanese territory appears to be only about half a million. Beside this, there are about 346,000 in Corea, 165,000 in Formosa, 89,000 in Sakhalin, and (? 79,)000 in Liaotung leased territory. These figures do not include troops, and it is not in all cases certain whether they really give result of a census taken this year. In recent years total increase in number of emigrants is eight or nine per cent. per annum. Japanese are not naturally good colonists and do not emigrate willingly, except to countries where standard of living is higher than here. Hence they prefer North America, Australia, and failing that, Mexico, South America and Hawaii. They dislike rigorous climates and many of them return from Siberia to spend the winter in Japan. Formosa would probably support 5 times present number of colonists with ease if there were any question of relieving congestion in Japan proper.

There is a growing disposition to prefer industrial employment to agricultural, and it would seem easy to provide for increase of population for some time by enlarging towns and cultivating hitherto neglected land.

It can however be reasonably argued that industries are hampered by scarcity of raw materials in Japan and that statistics at present accessible show that the supply of rice which is staple food will be inadequate for population in 1937. But situation will be critical then only on the supposition that Japan is unable to import rice. Commercial Counsellor considers that natural growth of her industries will enable her to pay for such imports and there is no reason to fear that supply of fish which is another staple food will fail.

On the other hand, rice crop has already proved insufficient in bad years and I think that some anxiety as to food in the future is legitimate. But if Japanese are able and willing to utilize the (? resources) of Siberia they will have access to unlimited stocks of food except rice and of raw material to develop their industries.

³ In the text as sent this word read 'import'.

Birth control is alien to Japanese ideas but it is already being discussed academically in the press.

As pointed out in my telegram No. 429⁴ Japanese Government profess not to be regarding problem of over-population as menacing. They are perhaps afraid that, if they are assigned a sphere for expansion in Asia, other spheres will be closed to them.

2. Capacity of Japanese to hold their own against the Chinese economically. (? Though) Japanese are the dominant race in Formosa, the wealthiest men in the Island are all Chinese and they own the best coal mines, control the tea industry and have a large share in the sugar business and the Japanese do most of the banking and shipping, and hold their own in retail business, but make no attempt to compete in agriculture and would probably fail if they did. The tendency is towards joining⁵ Sino-Japanese undertakings, since Chinese see that such co-operation eliminates competition and ensures Government support.

In Corea there are a fair number of Japanese agriculturalists in the south but hardly any in the north.

In Manchuria and leased territory most of the Japanese agricultural and industrial undertakings receive support from the Government through the South Manchurian Railway or the Oriental Development Company, and trade is chiefly in the hands of large firms whose influence is enormous. His Majesty's Consul at Dairen thinks that the Japanese can compete with the Chinese in trade and industry but not in agriculture.

In Hawaii Japanese are said to work well in such branches of tropical agriculture as sugar and pineapples. In the maritime provinces of Siberia, Korean labour succeeds best and there are 200,000 Korean settlers whereas both (? Chinese) and Japanese are migrating and go home for the winter. Japanese have not taken to agriculture but make good workers for fishing, fish canning, coast trading and mining and are also successful as retail traders. If this territory were administered by Japanese the Russian population would probably find it impossible to make a living and would withdraw. If on the other hand it was administered by Russians, Japanese would be allowed to compete only so far as Russians permitted. In the past Russian Government has restricted certain work to Russians in order to oust Chinese labour.

On the whole it seems certain that (? Japanese) cannot compete with Chinese agriculturalists and doubtful whether they can compete as individual merchants but their deficiencies are overcome by their gift of organization. Whereas there are few Chinese business concerns which merit the name of company, Japanese have a genius for creating large and many-sided firms which control a great number of enterprises. (See enclosure in my despatch No. 556 of November 26th, 1920).⁶

In any territory where Japanese influence had free play these firms would probably control the whole of commercial and industrial system including

⁴ Of Nov. 4, not printed.

⁵ In the text as sent this word read 'joint'.

⁶ See No. 155, n. 2.

even agriculture and provide congenial occupations for Japanese immigrants. At present the real difficulty in the way of emigration seems to be want of adaptability and enterprize as colonists, such different climates as Formosa and Siberia being alike distasteful but if over-population becomes serious Japanese will probably grow less fastidious.⁷

Repeated to Peking by post.

⁷ This telegram was amplified in Sir C. Eliot's despatch No. 612 of Nov. 18, not printed. For a later reference to this despatch, see Second Series, Vol. IX, No. 356.

No. 414

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 15)

No. 653 [F 4700/81/10]

Confidential

PEKING, November 7, 1921

My Lord,

My telegrams during the past month will have prepared Your Lordship for the approaching dissolution of the present Central Government in Peking.¹ It is only due to the usual perversity of events in China that its demise has not already occurred. The community, foreign and Chinese alike, is still convinced that the days of the Government are numbered and all parties are waiting in perfect composure for the promised collapse. Since I first came to Peking in 1912, Governments have been overthrown, and others have struggled along without diplomatic recognition and therefore were internationally non-existent, but never yet has a Government been seen to quietly fade away and cease to be. Yet nothing but a miracle can prevent this spectacle being presented to the world by the Peking Government. The complete indifference of all but a few officials and bankers is a most striking feature of the situation.

Formerly when there were still diplomatists who took the Peking Government seriously, the threat of its complete elimination would have excited tremendous comment and would have moved influential foreigners to heroic efforts to save the administration. Now, even those who are mostly blindly obsessed by the name of Peking seem to realise at last that they are not facing the problem of the collapse of Government in China but that the promised spectacle of Peking passing is only the passing of a group of persons who call themselves a Government but who have long ceased to function as such in the Western sense of the term. Having adopted this attitude there is nothing in the present situation to disturb anyone, and the only sentiment which Peking's lingering demise seems to be exciting among the foreign Legations is a feeling of impatience that they do not hurry up and get it over. Speculation as to the possible accompaniment of the Government's failure to function seems to have subsided. Stories of impending mutinies do not emanate from street gossip nor from Missionary reports. If they did they might be ominous. On the contrary they are manufactured in the highest official circles, in Cabinet

¹ e.g. Nos. 390, 396, and 408.

offices, and in the President's palace, and are systematically disseminated for foreign consumption. Even the merchants and commercial bankers do not appear to be distressed by the prospect of a financial crash. The banks that will break are the semi-political banks, the repositories of the official squeeze of the whole of the northern bureaucracy. In the midst of so much apathy, it is pathetic to think of the Chinese delegation on its way to the Washington Conference without a head, without a programme, and without funds. It has been quite on the cards that it would arrive in America and find itself without a Government behind it and without authority. I have heard on the best authority that, with the exception of those few of the Delegation who paid for their passages themselves, the expenses of the majority as far as San Francisco were defrayed privately by Mr. Chow Tze Chi, former Minister of Finance, out of personal regard, it is said, for China's prestige, and no doubt out of proceeds of his previous tenures of that office. It is still a problem how their hotel expenses at Washington are going to be met.

Time has been when most Westerns in Peking would like to have seen China's delegation make the best possible impression in Washington and come back with full diplomatic honours, and many influential people would no doubt have exerted themselves for Peking if they had been convinced that the survival of this Government were essential to the maintenance of the Chinese delegation's dignity and prestige. Those who might have been expected to hold this opinion have probably now abandoned it. As the Minister for Foreign Affairs² observed to me a short time ago, China expects in Washington to receive the sympathy and diplomatic support, and presumably to some degree the protection, of the Great Powers, particularly of Great Britain. To do this, the Chinese delegation will have to draw, for the benefit of statesmen assembled at the conference, a picture of China's woes and needs. A delegation representative of China's interests as a whole could be relied on to present such a picture of China in a light which would be almost certain to appeal to Anglo-Saxon sympathies and to elicit support and protection in no small measure. A delegation which represented Peking as a political unit would not and could not, however, tell the truth about China. It would on the other hand present a distorted picture of China and pretend to represent a working and workable and perfectly solvent administration, and would obscure, out of a mistaken sense of loyalty to Peking and an undue regard for 'face', China's real condition and real needs. Among the seemingly numberless delegates and advisers who have gone to America there are a few competent and sincere Chinese, who, if released from the obligation of representing China as Peking's delegates, would be very valuable witnesses in Washington to the real state of China and her fundamental needs. Without Peking behind them, forcing them to support the utterly misleading line of propaganda which Mr. Wellington Koo, Mr. Lenox Simpson and Dr. J. C. Ferguson³ are prepared to spread in America, they

² Dr. Yen Hui-ch'ing.

³ A former American missionary, at this time Adviser to the President of China and attached as adviser to the Chinese delegation to the Washington Conference.

could tell how confused are China's finances and her administrative affairs, and how sorely in need China is of international protection against malevolent interference for a period of a generation or more while she is working out, with or without foreign assistance, her internal problems. They would be free to agree with China's best friends that intervention may be unavoidable, but they could show at the same time how widely different are helpful intervention and malevolent interference. This they can never do as agents of the Peking Government. Consideration for the Government's 'face' would prohibit such frankness. If the Central Government survives till the Washington Conference, and the Chinese delegation remains the Peking delegation, led in its policy by its foreign propagandists, it may easily contrive to alienate foreign sympathy by proving itself, in the face of outstanding evidence, to be misrepresenting China to the world. On the other hand if the Peking Government collapses and the Chinese delegation becomes a free agent, free to describe China's troubles as they really are, they would have an excellent opportunity to prompt the Powers to provide material guarantees for the integrity and protection of China.

Political rumours in the Capital come in such profusion and each so totally at variance with the other, that one who would venture to say just what the situation will be a week hence would indeed be venturesome. Out of the haze of political intrigue that now hangs over the Capital, however, the outstanding fact is, as I had the honour to report in my telegram No. 412 (of the 3rd instant),⁴ that there has been a serious split between the President and Premier, and that the Central Government, desirous as their members are for saving their 'face' before the Pacific Conference, were never so divided as they are to-day. The Premier, formerly a protégé of the War lord of Mukden, Chang Tso Lin, has allied himself with the Chihli militarists. His change of politics was presumably influenced by Wu Pei Fu's recent victories on the Yangtze, which have enhanced the prestige of the Chihli party. It was when the Premier definitely decided upon this change that he insisted recently upon resigning and, had it not been for the Pacific Conference and Sun Yat Sen's propaganda against the Central Government, he would never have returned to office. The President fearing for his own position, which Wu is too progressive to regard as inviolable, has apparently aligned himself with Chang Tso Lin, and one of his first moves in his new Alliance has been to take the Ministry of Finance away from the control of the Premier and place it in the hands of Chang Tso Lin through the appointment of Mr. Kao-ling-wei. This appointment strengthens the grip of Chang Tso Lin on the Government as he now controls the two main sources of revenue, Communications and Finance, and with the latter the Administration of the Salt.

With all this, however, the Premier does not seem to worry over Chang Tso Lin's apparent control over the Government for he realises what sort of Government it is and feels confident that it cannot last much longer. He will not want to be at the helm when the collapse comes, and therefore he will in all probability not remain in office much longer. The only reason why he

⁴ Not printed.

resumed office a few days ago was that he realised, like other Government officials, that the delegation at Washington must not be embarrassed by a cable announcing that their Government has broken down.

As I had the honour to report in my telegram No. 378 of the 5th October,⁴ the Minister for Foreign Affairs was at that time ready to proceed to Washington as chief Delegate if the political situation permitted of his leaving Peking. In spite of his frequent assertions that he is on the point of starting, Dr. Yen has evidently good reasons for not going and prefers to remain where he can get political news at first hand. He is closely allied with the Chihli militarists and when the crash comes, as it seems it inevitably must, the Chihli party, it is prophesied, will vote for Premier Chin for the Presidency, and Dr. Yen for Premier.

In the meantime, as stated in my telegram No. 416 of the 4th instant,⁴ the surtax scheme of the Inspector General of Customs hangs fire.⁵ If the rumour is correct that the appointment of Kao Ling Wei is a move counter to this suggestion inspired by Chang Tso Lin, and if this has prevented the Cabinet's adoption of the scheme, then it must be presumed that Chang Tso Lin has promised to finance the Government. It is common report that he has amassed a sum of \$25,000,000 in his Treasury in Mukden. It is in fact widely assumed in Chinese and foreign circles that such is the case and that opposition to the surtax was suggested to Chang Tso Lin by the Japanese together with promises of financial support on Manchurian securities. True it is that the foregoing paragraph is based on rumour, but the attitude of my Japanese colleague in conversation with me confirms his opposition to the surtax, and I am convinced that he has no intention of letting the scheme go through. His avowed wishes are for the downfall of this Government, and yet in spite of empty coffers the curtain has not yet rung down. Money must be coming from somewhere.

(Copies to Tokyo and Washington.)

I have, &c.

B. ALSTON

⁵ See No. 408.

CHAPTER VI

Correspondence, &c., relating principally to the Washington Conference on Pacific Affairs and the Limitation of Armament

November 11, 1921–February 6, 1922

No. 415

Mr. Balfour (Washington Delegation)¹ to Mr. Lloyd George²

*No. 1 [F 4466/2905/23]**

WASHINGTON, November 11, 1921

Sir,

I have the honour to report that I left London on Wednesday, the 2nd November, and sailed from Liverpool on the same day on board the Canadian Pacific liner 'Empress of France', *en route* for Washington. I arrived at Quebec on the afternoon of the 8th November, and proceeded the same evening by train to Washington, where I arrived early on Thursday, the 10th November.

2. In addition to Sir Maurice Hankey, the Secretary of the British Empire Delegation, I was accompanied by General the Earl of Cavan, head of the Military Mission; Air Vice-Marshal J. F. A. Higgins, the head of the Air Mission; the Right Hon. Sir John Jordan, formerly British Minister at Peking; Captain C. J. C. Little, of the Naval Mission; Mr. Miles Lampson, of the Foreign Office; and a portion of the Secretariat. At Quebec the party was joined by Mr. Peterson, of the British Embassy, Washington, and Sir Arthur Willert, the Publicity Officer to the British Empire Delegation, both of whom I had summoned to meet me in order to learn the latest developments in regard to the forthcoming Conference.

3. The whole of the voyage was devoted to a close study, in consultation with the experts, of the very complete material prepared in the Foreign Office and other Departments,³ as well as by the Committee of Imperial Defence, of the various questions likely to come before the Conference. As the result of this preliminary survey I have formulated certain broad and

¹ Mr. A. J. Balfour, Lord President of the Council, was head of the British Empire delegation to the Washington Conference. For a brief account of his part in the Conference, see Blanche E. C. Dugdale, *Arthur James Balfour, First Earl of Balfour, 1906-30* (London, 1936), chap. xvi.

² A copy of this despatch was sent to the Foreign Office on Dec. 5.

³ See, e.g., Nos. 399, 404, and 405.

tentative ideas as a general guide to the manner in which the various problems likely to come before the Conference should be approached. Naturally, the British Empire Delegation will have to be guided by the circumstances of the moment, by the views of other Delegations, and more particularly by those of the President of the Conference. Nevertheless, it appeared to me desirable to clear my own mind on these matters in order to have some definite idea to lay before my colleagues on the British Empire Delegation, and, so far as may prove advisable, before members of the Conference, as to the manner in which our business can most expeditiously be handled. Further, in view of the fact that you yourself may be starting for Washington at an early date, I feel that I ought to communicate my provisional conclusions at once, in order that, in making your own study of the subject, you may have my views before you. I will, of course, communicate such modifications as from time to time become advisable by telegram or by further despatch.

4. From the discussions which took place at the Cabinet before my departure I formed the clear impression that the ultimate aim of the British Empire Delegation at the Washington Conference is to secure the largest possible limitation of armaments consistent with the safety of the British Empire. It is clear, however, that if satisfactory and durable results are to be achieved in regard to naval disarmament, which mainly affects the British Empire, the United States of America and Japan, an agreement must also be reached in regard to certain political problems which have arisen in China and the Pacific.

5. First and foremost among these latter problems is that of the Anglo-Japanese Alliance. Evidence continues to reach me, from those Delegates and officials who arrived in Washington before us, in confirmation of previous reports, to the effect that adherence to the Alliance in its present form will be very unpopular in the United States of America, and will render the conclusion of a satisfactory and enduring arrangement for the limitation of armaments extremely difficult to negotiate. Further, it is undeniable that, with the collapse of the Russian Empire and the elimination of Germany from the Pacific, the conditions which brought the Anglo-Japanese Alliance into existence have disappeared for the time being, though it would perhaps not be prudent to assume that they will never be re-created. On the other hand, we are bound to give the utmost consideration to the feelings of an ally who has loyally stood by his engagements and rendered us valuable support in the late war, and we cannot contemplate any action calculated to alienate, much less to outrage, Japanese sentiment.⁴ Finally, the utmost weight must be given to the strong views expressed at the recent Imperial meetings in regard to the importance which Australia and New Zealand attach to the maintenance of the Anglo-Japanese Alliance in some shape or form.

6. In order to harmonise these partially conflicting elements in the prob-

⁴ For extracts from a private letter of Nov. 10 from Sir C. Eliot, H.M. Ambassador at Tokyo, to Mr. Balfour reporting on Japan's attitude to the Conference, see Blanche Dugdale, *op. cit.*, pp. 322-3 and 328.

lem, I have devised a formula in the shape of a draft tripartite agreement between the British Empire, the United States of America and Japan, dealing with the preservation of peace and the maintenance of the *status quo* (Enclosure 1).⁵ The object of this scheme is:

- (a) To enable the Americans to be parties to a tripartite arrangement without committing themselves to military operations.
- (b) To bring the existing Anglo-Japanese Alliance to an end without hurting the feelings of our Ally.
- (c) To leave it open to us to renew a defensive alliance with Japan if she should again be threatened by Germany or Russia.
- (d) To frame a Treaty which will reassure our Australasian Dominions.
- (e) To make it impossible for American critics to suggest that our Treaty with Japan would require us to stand aside in the case of a quarrel between them and Japan, whatever the cause of that quarrel might be.

7. Apart from the problem of the Anglo-Japanese Alliance, there are a number of problems relating to China which have to be considered before we can hope to reach a satisfactory and durable scheme for the limitation of naval armaments. It would lie beyond the scope of this despatch even to enumerate the whole of these difficult and intricate questions, and it is clear that at the forthcoming Conference they will require to be treated on broad principles rather than in detail. With this in view, after prolonged consultation with my experts, I have devised a second draft agreement relating to China (Enclosure 2).⁶ This draft, while starting from a recognition of existing facts and treaties, is based on the desirability of substituting a system of international co-operation for the international rivalry in China which has in the past produced such unhappy results in that country. It provides for consultation between the States principally concerned as an indispensable preliminary to naval, military or aerial action, except in cases where life or property would be jeopardised by delay, as well as for mutual arrangements for communicating details of contracts and concessions, as a preliminary to their becoming binding. Thus it is designed to render difficult, if not impossible, a repetition of those acts of military or economic spoliation which have contributed so much towards the weakening of China and have proved the cause of so much international friction. The draft agreement also indicates the machinery by which co-operation between the Powers concerned should be accomplished. Whether and how far this regional arrangement, attempting as it does a solution of the whole problem of the Pacific Ocean, can be brought into some form of relation with or co-ordinated with the League of Nations is a matter which will receive my closest attention, but on which I conceive it premature at this stage to offer any opinion.

8. There is one problem in connection with the present state of China which, it appears to me, must be dealt with separately and at a very early stage of the Conference, since it is likely to dominate the minds of three of

⁵ Not here printed. This draft, with the amendments agreed on at the meeting with Mr. Hughes on Nov. 11 (see No. 416 below), is printed in *F.R.U.S. 1922*, vol. i, pp. 2-3.

⁶ Printed below.

the principal Powers, namely, the United States of America, Japan and China. I refer to the question of Shantung. A solution of this question is an essential condition to the conclusion of an agreement of the character contemplated in Enclosure 2. The recent correspondence between the Chinese and Japanese Governments⁷ appears to me to offer a possible basis for discussion, and I propose to seek an early opportunity to raise this difficult question in conversation with the American Secretary of State, in the hope that we may be able to reach agreement, and to use our good offices with the Chinese and Japanese Delegations.

9. From the above survey you will see that the logical sequence in which it appears to me that the business should be conducted is to deal with the political side of the Pacific question before the final decisions have to be taken on the subject of naval diminution of armaments. If this can be arranged we may hope for decisions of lasting importance to the peace, no less than to the economic restoration of the world.

10. In conclusion, I must once more emphasise the provisional and tentative nature of the scheme of procedure described above, as well as of the two draft agreements attached to this despatch, and I would therefore ask that they may be treated at this stage as highly secret.

11. Since writing the above I have had an opportunity to discuss some of the questions dealt with in this despatch informally with my colleagues on the British Empire Delegation, and, although we have not fully considered together the question relating to China (Enclosure 2), I think I can go so far as to say that they are in general agreement with the line I propose to adopt.

I am, &c.

A. J. BALFOUR

⁷ See No. 397, n. 2.

ENCLOSURE 2 IN NO. 415

Further Draft Agreement relating to China

The Governments of the British Empire, China, France, Japan and the United States of America have agreed upon the stipulations set forth below, having the following objects:

- (a) The consolidation and maintenance of the general peace in Eastern Asia.
- (b) The preservation of the independence and integrity of the Chinese Republic.
- (c) The application of the principle of equal opportunity for the commerce and industry of all nations in China.
- (d) The substitution of international co-operation for international rivalry in China.

ARTICLE I

It is agreed that whenever, in the opinion of the High Contracting Parties, any of the objects referred to in the preamble of this Agreement are in

jeopardy, the five Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard their menaced rights or interests.

ARTICLE 2

The High Contracting Parties agree that they will in no circumstances take independent action for the protection of their interests in Eastern Asia by the employment of naval, military or aerial forces without previously consulting the other High Contracting Parties as to the desirability of taking such measures, save in cases where life and property are endangered.

ARTICLE 3

Every contract and arrangement involving financial liability between the Central Chinese Government and/or the Provisional Chinese Governments and the High Contracting Parties and/or their national[s] and/or the agents of their nationals shall be communicated to all the High Contracting Powers, and no such contract or arrangement shall be binding until so communicated.

ARTICLE 4

The diplomatic representatives of the High Contracting Parties at Peking shall be vested with executive authority of carrying out this Agreement.

ARTICLE 5

The High Contracting Parties recognise the desirability of arranging for periodical meetings between their duly-accredited representatives for the discussion of the practical means best calculated to secure the objects aimed at under the present Agreement.

ARTICLE 6

The High Contracting Parties agree that they will not without consulting one another enter into separate Agreements with another Power or Powers to the prejudice of the objects described in the preamble to this Agreement.

No. 416

Memorandum by Sir M. Hankey respecting Mr. Balfour's interview with Mr. Hughes on Friday, November 11, 1921¹

[F 4395/2905/23]

Secret

WASHINGTON, November 11, 1921

Mr. Balfour saw Mr. Hughes, the Secretary of State, at the State Department this evening from 5 p.m. to 7 p.m. and discussed the position in regard to the Pacific with the greatest freedom and without reserve.

¹ This memorandum is described on the file as an 'Office Minute based on information

In the course of the conversation Mr. Balfour, in response to a request from Mr. Hughes to know what he contemplated in the form of a tripartite agreement, handed to him a copy of the draft attached as Enclosure 2 [1] to his despatch of November 11th.² In doing so, Mr. Balfour explained that it was unofficial and merely the result of his personal cogitations in the intervals of seasickness on the voyage; also that the British Government had not seen it, and that it must therefore not be regarded as authoritative. Mr. Hughes had asked if he might show it to his colleagues on the American Delegation, and Mr. Balfour agreed, provided that it was treated as strictly secret and that Mr. Hughes explained to his colleagues its tentative and unofficial character.

Mr. Balfour then asked if he might show it to the Japanese principal Delegate on the same conditions. Mr. Hughes showed considerable disquietude at this request, and gave Mr. Balfour to understand that the use of the word 'treaty' was a great difficulty. If it became known that he was discussing a 'treaty' with Mr. Balfour, it would cause the utmost disquiet throughout a great part of the United States. Mr. Balfour at once hastened to withdraw the word 'treaty' and, in his own handwriting, altered it to the word 'arrangement', wherever employed, and further wrote words across the top to the effect that he had deliberately eliminated the word 'treaty' and substituted 'arrangement'.

The conversation was directed to a considerable extent to the discussion of the problem of China. Mr. Hughes showed himself prepared to recognise existing facts, e.g., in Manchuria. He pointed out, however, that, while he had no objection to railways constructed for the purpose of developing the country, he could not agree to their use as a means of political penetration, as had occurred in Manchuria. On the subject of the doubtful areas, such as Mongolia, Mr. Hughes agreed with Mr. Balfour that they presented great difficulties. He mentioned Tibet as one of these border cases.

During this conversation Mr. Balfour communicated the draft Treaty in regard to China (Enclosure 2 to the despatch of November 11th)³ on the same conditions as the other Treaty.

The procedure of the Conference was also discussed, but Mr. Hughes refused to say a word in regard to the statement he was to make on the following day, merely stating that he thought it would be better not to do so.

It is worthy of note that Mr. Hughes showed himself privately favourable to the principle of the League of Nations, though he disliked some of the provisions of the Covenant.

The conversation was uniformly frank and cordial, and Mr. Hughes said that his point of view was evidently very similar to that of Mr. Balfour.

M. P. A. H.

supplied verbally by Mr. Balfour'. A copy was transmitted to the Foreign Office under cover of Mr. Sperling's despatch No. 1 of Nov. 18, received Nov. 29. (Mr. Sperling, an Assistant Secretary, was head of the Foreign Office Section of the British Empire delegation.) For Mr. Hughes's record of the interview, see *F.R.U.S.* 1922, vol. i, pp. 1-2.

² See No. 415, n. 5.

³ No. 415, enclosure.

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 14, 8.30 a.m.)

No. 5 Telegraphic [A 8447/18/45]

Sub-committee¹

WASHINGTON [Undated]²

First Lord³ and First Sea Lord⁴ met British Empire Delegation this afternoon when Lord Beatty gave views of naval staff on American proposals for limitation of armaments.⁵ He is satisfied as regards the numbers of capital ships to be retained, arrested in construction or scrapped as summarized in paragraph 10 of American plan. But when the scheme is discussed in detail in Committee he proposes to urge the additional condition that only two-thirds of capital ships be kept in Commission and one third in reserve. He accepts proportions of five, five and three for replacement of capital ships (paragraph 12a) but prefers to apply these proportions to numbers rather than to tonnage. His principal criticism relates to proposed naval holiday of ten years (paragraph 12b) which would result in decay of naval ship construction and armament industries unless firms were heavily subsidized. Towards the end of the ten years period these industries would have to be re-erected at great expense in order to build the ships required for replacement. For Great Britain twelve capital ships might have to be under simultaneous construction in order to complete replacement at the end of ten years. Thus bursts of feverish shipbuilding competition would set in at the end of each period of ten years followed by relapse into comparative somnolence. Lord Beatty suggests alternative scheme of substituting slow and steady replacement for spasmodic building. His plan would permanently reduce shipbuilding capacity of nations and would be more economic and better calculated to lead to settled and peaceful atmosphere among (? naval) nations.

Lord Beatty insists that strength of European navies must be taken into account from the first in any scheme of permanent value.

As regards cruisers and other auxiliary vessels Lord Beatty accepts proportion in paragraph 14 [?17] so far as concerns those classes of auxiliary vessels which are complementary to battle-fleet, but he insists that over and above these, British Empire requires other cruisers for protection of communications.

Lord Beatty is prepared to urge for greater reduction of submarines than

¹ A term indicating a high degree of priority.

² According to the minutes (not printed) of the first meeting of the British Empire delegation, held on Nov. 13 at 6 p.m., the above 'despatch [sic] was sent to the British Embassy for transmission at 8.10 p.m.' that day.

³ Lord Lee of Fareham, First Lord of the Admiralty.

⁴ Admiral of the Fleet Earl Beatty.

⁵ These views were embodied in a paper (not printed) prepared by the Admiralty Section of the British Empire delegation and read at the delegation's first meeting by Lord Beatty. For the American proposals set out in Mr. Hughes's speech at the first Plenary Session of the Conference on Nov. 12, see *C.L.A.*, pp. 78-91.

proposed in American plan, in fact, he would welcome total abolition of submarines provided that all nations agreed. As many maritime nations are not represented at Washington Conference this proposal is not susceptible of immediate application even if accepted.

Views expressed by Lord Beatty were fully (? discussed) and generally accepted by British Empire Delegation. With their concurrence I propose to give a warm welcome in principle to American proposals and definitely to accept their plan as regards number of capital ships. At the same time I shall emphasize the widespread and special responsibilities of the British navy and without dwelling on points of detail I shall indicate that certain aspects of scheme require further examination and that scheme should be referred to a commission.

No. 418

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 15, 8.30 a.m.)

No. 14 Telegraphic [A 8490/18/45]

WASHINGTON, November 14, 1921

Following for President of Board of Trade from Sir Llewellyn Smith.¹

American proposal for ten years' holiday would result in violent fluctuation in employment, since our naval experts calculate that the whole work of replacement would be concentrated in about seven years out of twenty and would during those years require greater shipbuilding facilities than exist, while there would be no work in remaining thirteen years of cycle. As an alternative they suggest a three years' holiday followed by compromise of steady though greatly reduced building programme of two capital ships laid down every three years which would spread employment more evenly over the whole period while producing the same result as regards tonnage. Immediate observations of Board of Trade are desired on relative advantages to trade and employment of the two systems. Naval experts consider that under American plan our armaments (? firm[s]) would not maintain facilities for manufacturing armour-plate, range finders, projectiles and torpedo tubes and Government would therefore have to take over this essential work. As Government could probably not maintain sufficient resources to meet eventual pressure of work which would arise during the period of replacement, it would be necessary to subsidize private firms during the periods of naval holiday so that they might be available in periods of pressure. Doubtful if naval experts' alternative would enable private firms to continue above-mentioned special work without subsidies, but scale of facilities required would be reduced.

Under American plan cooperation of private firms for building the war-ships would be essential. Under naval experts' alternative construction would

¹ Sir H. Llewellyn Smith was Economic Adviser to H.M. Government and Head of the Economic Section of the British Empire delegation.

probably, though not necessarily, be concentrated in Government dockyards and private building permanently stopped.

As it is essential feature of either scheme to prohibit building for foreign account, armament firms would also be deprived of this resource. I have been advised that naval experts' alternative is on the whole less favourable to trade and employment than ten years' idleness followed by feverish activity which results from American plan. I have also been advised that injury to trade and employment due to either scheme is not to be compared with general economic advantages resulting from saving of expenditure on armaments. Do Board of Trade agree, and can they give any indication of total (? un)employment in United Kingdom which would result from two alternative plans, including in both cases prohibition of naval construction for foreign account including equipment or parts of vessels? Would result in either case be to close or seriously affect financial position of any of armament firms, and which of the two plans would have the most serious effect in this respect?

No. 419

Note from the Marquess Curzon of Kedleston to the Portuguese Minister
[F 4110/3510/10]*

FOREIGN OFFICE, November 14, 1921

Sir,

I regret that it has not been possible for me to reply at an earlier date to your notes of the 4th and 5th October, regarding the recent incident at Macao,¹ owing to the delay caused by the necessity of communicating with His Majesty's Minister at Peking and His Majesty's consul-general at Canton.

2. I now have the honour to inform you that the latest reports received from His Majesty's representatives in China seem to indicate some improvement in the situation, and I am informed that the Portuguese Minister is now in Macao for the purpose of negotiating a settlement.²

3. I understand that if the Canton Government will withdraw their gunboat, the Portuguese Government may be willing, as an act of grace, and without prejudice to the eventual settlement, to allow the Chinese the free and unhindered use of the half of the harbour which gives them access to their own territory. Whatever the technical merits of the case may be, His Majesty's Government are disposed to think there is some moral justification on the grounds of reason and equity for the Chinese claim to a right of access to their own territory.³ The arrangement of a *modus vivendi* on these lines would, therefore, appear to be a wise policy on the part of the Portuguese Government and one which His Majesty's Government would gladly support in any way they properly can.

¹ These notes are not printed. Cf. No. 394, n. 2.

² See No. 411, n. 3.

³ See No. 411.

4. In conclusion, I shall be glad to learn whether the Portuguese Government propose to submit the general question at issue to the League of Nations. I would point out that it seems to His Majesty's Government very important that steps should be definitely initiated to secure a final settlement of the whole boundary question.

I have, &c.

CURZON OF KEDLESTON

No. 420

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 7 Telegraphic [A 8510/18/45]

Urgent

FOREIGN OFFICE, *November 15, 1921, 7.15 p.m.*

Prime Minister to Mr. Balfour.

The United States proposals were considered by the Committee of Imperial Defence in the light of your telegram, Sub-committee of November 14th.¹ We are telegraphing to you textually the conclusions which the Committee reached.² These conclusions were considered by a Cabinet Committee this morning, and we have to make the following observations upon them.

We feel that the sovereign virtue of the naval holiday consists in the fact that there will for ten years be a complete cessation of capital shipbuilding. There will be no rivalry in improved designs between the three great Naval Powers, and the existing fleets which they are to keep will not be rendered obsolete by the appearance of superior capital vessels. We feel that this advantage far outweighs the convenience of keeping armament plants in moderate activity by spreading replacements slowly over the ten years' holiday period. It also outweighs the inconvenience of having to make a sudden expansion of shipbuilding plants at the end of the period. We would rather keep the necessary plant in existence by subsidies than mar the effect to world peace of the ten years' holiday by building new battleships. We should regret our country taking the lead in such a proposal.

On the other hand, the consequences of the adoption of the ten years' holiday by the three leading Naval Powers must be profoundly considered in relation to the possible building of submarines and aircraft by minor Naval Powers (like France or Italy) or non-signatory Powers (like Russia). Britain and the United States will be committed to powerful, costly, but obsolescent fleets of battleships almost all of a pre-Jutland design. These battleships will run much greater risks even from existing submarines than would the new ships which were projected. Battleship development will be stereotyped for the three great Navies, while submarine development in numbers may still be considerable and in design unlimited. In the duel between fleets of capital ships and flotillas of submarines, the former will remain stationary

¹ No. 417.

² No. 421 below.

while the latter will be practically free. The three leading Naval Powers may therefore easily find their whole naval position undermined by the swift development by Powers like France or Russia of large flotillas of far more powerful submarines. The character of these fleets would not be improved appreciably even if Lord Beatty's proposals, which we are reluctant to adopt on the grounds stated above, for slow occasional replacement were carried into effect. The bulk of the ships constituting the British and American lines of battle would still remain at a disadvantage compared to constantly improving submarines.

We therefore think that acceptance of the American proposal in regard to capital ships should carry with it the most rigorous restriction of submarine construction, if not indeed their complete abolition. The interests of the three leading Naval Powers who are to be signatories are clearly identical in this respect. They ought to bring the utmost pressure upon minor Naval Powers not possessing battle fleets to conform, and they ought to adopt a common policy in regard to the non-signatory Powers. Such a line of argument would tend to throw Great Britain and the United States more closely together, and we feel it should be thoroughly explored.

Aeroplane developments which menace the capital ship are far more difficult to provide against because of the narrow line between commercial and military aviation and for many other reasons which will be present in your mind. But if the submarine can be banned absolutely or restricted to the narrowest limits, very great advantages will be reaped by the three leading Naval Powers.

No. 421

The Marquess Curzon of Kedleston to Sir A. Geddes¹ (Washington)

Unnumbered Telegraphic [A 8509/18/45]

Most urgent

FOREIGN OFFICE, November 16, 1921, 12.15 a.m.

Following from Prime Minister to Mr. Balfour for information. Begins:

Text of conclusions of Committee of Imperial Defence, referred to in my No. 7² is as follows:

(a) The Committee have only been able to give a rapid and cursory study of the American proposals for the limitation of armaments, detailed examination of which is now being made by the Admiralty. It appeared to the Committee that the main proposal as regards the limitation of the number of capital ships should be accepted in so far as the ten years' holiday from construction is concerned. The Committee, however, regard it as essential that it must be agreed that, when construction is resumed after ten years, replacement ships should be built on a ship for ship basis by Great Britain and America, Japan building a proportionately smaller number.

(b) The question as to whether construction and armour plant should be kept in being by means of subsidies, no construction at all being undertaken

¹ H.M. Ambassador at Washington.

² No. 420.

in the ten years, or whether a scheme for a slow and continuous replacement building should be adopted as proposed by Lord Beatty, is a matter of policy for the Cabinet to decide. The Admiralty, in the meantime, were requested to prepare estimates of the cost of maintaining plant by means of subsidies.

(c) It was agreed that the proposal, that one-third of the capital ships should be kept in reserve, should be endorsed.

(d) It was agreed that the question of the strength of European navies must be a matter of common concern to the Powers binding themselves to limit their naval construction.

(e) It was agreed that it would be to the advantage of Great Britain if submarines were totally abolished. In this connection it is important to remember that the battleships of the signatory Powers now in existence are not provided with protection against submarine attack as the vessels in the new construction programmes would have been. The battleships of signatory Powers would thus be placed at an increasing disadvantage during the next ten years, *vis-à-vis* submarines, aircraft, and other weapons of attack, the designs of which will not be stereotyped by an agreement. It, therefore, becomes a matter of common interest to the signatory Powers to minimise the activities of submarines, if not to secure their total abolition. It is important that such limitations as the signatory Powers themselves agree to assume should be pressed upon the non-signatory Powers.

(f) As regards cruisers and auxiliary vessels, the Admiralty are making an examination in detail of this question; but the Committee consider that the number of British cruisers must be based not upon the number of cruisers maintained by other Powers but upon the length and variety of the sea communications over which food and other vital supplies for the United Kingdom must be transported.

(g) It was agreed that we cannot veto the construction of ships by the Dominions after the ten years' holiday, but that the other signatory Powers must be allowed to make proportionate increases in their capital ships to balance such construction, (if any).

No. 422

Sir B. Alston¹ (Peking) to the Marquess Curzon of Kedleston
(Received November 17, 8.30 a.m.)

No. 424 Telegraphic [F 4204/2635/10]

PEKING, November 16, 1921, 11.40 p.m.

My telegram No. 401.²

Run has started on Bank of China and banks of communications.³ There is every indication that it may spread and that situation foreshadowed in

¹ H.M. Minister at Peking.

² Of Oct. 25, not printed.

³ This should presumably have read: 'Bank of Communications'; cf. No. 473 below.

my telegram No. 392 may develop rapidly.⁴ Government are at the end of their resources, and are quite incompetent to deal with the situation.

Foreign-secured loans will not be affected and customs receipts are coming in steadily.

Repeated to Tokio.

⁴ i.e. 'disappearance of present Government with or without disorder'. This telegram of Oct. 20 is not printed. Cf. No. 408, n. 1.

No. 423

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 16, 8.45 p.m.)*

No. 21 Telegraphic [A 8527/18/45]

WASHINGTON, November 16, 1921

Following for Prime Minister.

Secret

Your telegrams Nos. 7¹ and 8² arrived hours after delivery of my speech. I was careful however to leave all questions of detail until committee stage of conference. Question of replacement was indeed already being reviewed by British Empire delegation.³ Discussion of this question and relevant question of submarines at Naval technical sub-committee will be as far as possible avoided at present and no definite line will be taken until question has been fully (? explor)ed in light of your telegram.

¹ No. 420.

² Of Nov. 15, not printed. In this the Prime Minister had informed Mr. Balfour that it was 'essential' that he should see his telegram No. 7 (cf. n. 1 above) before he made his speech at the second Plenary Session of the Conference which took place on Nov. 15.

³ e.g. at its second meeting held at 2.30 p.m. on Nov. 15.

No. 424

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 18, 8.30 a.m.)*

No. 26 Telegraphic [A 8576/18/45]

WASHINGTON, November 17, 1921

Following is summary of first meeting of technical sub-committee on limitation of armaments. Begins.

'Specific proposals from each Power were asked for by the chairman, Colonel Roosevelt.¹ Lord Beatty asked for further explanation of United States proposals as these might on examination be found acceptable, in which case alternative proposals would be unnecessary. Japanese also

¹ Col. Theodore Roosevelt, Assistant Secretary of the U.S. Navy.

requested explanations but indicated that in any case certain changes were desired. Japan strongly advocated that ratio of capital ship strength assigned to her should be at least seventy per cent. of that of Great Britain and United States. As regards aircraft carriers she requires the same ratio as those Powers, and further pressed for "Mutsu" and "Akagi"² being added to her allotted list of capital ships. Japanese views were accompanied by earnest statement of Japan's position as an island Power. Lord Beatty pointed out apparent industrial and economic disadvantages of suggested replacement programme under ten years' holiday, and was supported by French and Italians who emphasized the obsolete condition of their fleets. Lord Beatty advocated inclusion of France and Italy in ratio agreement and was supported by Italians. It appears that Admiral agreed that French and Italian naval question would be probably affected by discussions relative to American, British, and Japanese navies, but reserved definite views as sub-committee's (? terms of) reference at present localized discussion to the three main naval Powers.

'It was resolved that the members of the sub-committee should report individually to their delegates asking for a ruling as to whether France and Italy should be included in any agreement in view of the strength of British navy being affected to a certain extent by European armaments; this would involve the problem of French and Italian navies being considered in conjunction with, and at the same time as, problem of American, British, and Japanese navies. Chairman promised that detailed explanation of United States proposals should be at once promulgated to members.'

² Corrected in Mr. Balfour's telegram No. 39 of Nov. 21 to read 'Aki'.

No. 425

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 18, 8.30 a.m.)
No. 28 Telegraphic [F 4231/833/10]

WASHINGTON, November 17, 1921

Chinese discussion has now begun: and so far there is no sign that extreme demands are going to be made on either side or that irreconcilable differences will manifest themselves. I should, however, like to know whether I could have somewhat greater liberty of concession on two points than I have at present. The first is Wei-Hai-Wei; the second is Boxer indemnity. Neither of these questions might effectively be raised: but if they are and if, for example, France took the generous line¹ while Britain hesitated or refused, it would do harm . . .² and in China.

¹ In a subsequent telegram, No. 33 of Nov. 18 (not printed), Mr. Balfour said that the French Colonial Minister had since been reported 'to have informed press that France will give up Kwang-chow Wan, provided Great Britain gives up Wei-hai Wei and Japan Shantung'.

² The text is here uncertain.

Wei-hai-Wei is quite useless to us except as a sanatorium:³ and my advisers here think there would be no difficulty in making arrangements with Chinese Government preserving our privileges in this connection.

As regards indemnity America, as early as 1908, reduced her share from 24 million dollars odd to 11,655,492 dollars, i.e., to under half of original amount, in return for a guarantee that a certain number of Chinese students should be sent to the United States for their education. She has since (see Sir A. Geddes's despatches Nos. 874 and 969)⁴ taken power to remit the outstanding sums of 1,236,000 dollars.

³ According to the minutes of a meeting held in Oct. 1921, a copy of which was received in the Foreign Office on Nov. 18, the Admiralty had expressed the opinion that, from a strategical point of view, 'Wei-hai Wei is of little importance. It possesses considerable importance, however, as a sanatorium to the fleet in the China seas. The Standing Defence Sub-Committee recommend that no discussions affecting the status of Wei-hai Wei should be entered upon without the fullest consultation with the Colonial Office.

'On a review of the foregoing considerations, as well as the position of foreign naval Powers in the Pacific, the Standing Defence Sub-Committee have reached the conclusion that the strategical interests of the British Empire would be best served by a maintenance of the territorial *status quo* in the Far East.'

⁴ Of Aug. 12 and Sept. 9 respectively, not printed.

No. 426

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 18, 9.45 a.m.)

No. 29 Telegraphic [A 8585/18/45]

WASHINGTON, November 17, 1921

Your telegram No. 7.¹

British Delegation have carefully considered the views of Cabinet Committee and Committee of Imperial Defence, and desire to make the following observations thereupon:

We fully appreciate the moral appeal of ten years' holiday proposal and volume of support which it is likely to evoke throughout the civilized world. Before accepting it, however, it is essential to examine (? danger)s involved in it and not to imperil future security of the British Empire. Further, we have positive information that American Navy Department had not realized the serious defects of its own proposal and may itself propose a more practical and less dangerous alternative. It is also probable that Japan, France, and Italy will independently raise objections. Meanwhile, our experts have been instructed to avoid premature discussion of this particular subject pending our further deliberation and consultation with Cabinet and present position is that they are awaiting promised elucidation by American experts of their own proposals which may be spontaneously modified.

We note that Cabinet is prepared to contemplate keeping British plants necessary for replacement purposes in existence by subsidies and that

¹ No. 420.

Admiralty is preparing estimates of cost. Latter, if maintenance is to be effective, must be very heavy and we cannot ignore obvious risk that a subsequent Government might be unwilling or unable to get parliamentary approval for necessary annual subsidies. On the other hand, richer countries like America or some other Power under militaristic control, might keep in existence building facilities which would enable them to proceed after long intervals and at short notice with construction of new fleets which could (? dominate the) seas. In any event, as pointed out in my telegram,² I would³ present ten years' proposal would involve periodical and violent spells of armament activity at immense cost and recurring disturbances to peace of the world. This could only be avoided, if American plan is to stand, by complementary and equally drastic proposal that all heavy armament and armour plants should also be restricted and that none other than Government-owned facilities, sufficient for replacing one or two ships at a time, should be maintained. Further, we strongly urge that in the event of America standing for ten years' naval holiday, as at present, we should demand it should be applied to other combatant craft as well as to capital ships. In this connection we would observe that United States and Japan, under American scheme, would be at liberty to continue construction of light cruisers and aeroplane carriers, whereas Great Britain would not be permitted to build any. We think that naval holiday should be complete. With reference to your remarks, to the effect that character of fleet would not be improved appreciably if Lord Beatty's proposals were carried into effect, Lord Beatty observes that under his scheme, six capital ships would be built in ten years, each one of which would be constructed to meet the dangers you contemplate, from development of submarine and attack from the air. We shall, however, make proposal in a more explicit form, although opposition is certain from lesser naval Powers, and United States Government would probably wish not to go further than a reduction of tonnage originally proposed. Public opinion in all countries, however, seems likely strongly to endorse abolition.

² No. 417.

³ The text is here uncertain.

No. 427

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received November 19, 6.50 p.m.)
No. 455 Telegraphic [A 8612/18/45]

TOKYO, November 17, 1921

Following is substance of remarks made by Minister of War in a long conversation I had with him at dinner given by me to high military officers on (? 15th) instant.

1. Naval Reductions. Proportions of America to Japan as proposed at Washington are fair but reduction excessive for England with her scattered possessions.

2. Fortifications. So long as America maintains fortresses of Manila, Guam and Hawaii, Japan will have to maintain a chain of fortresses from Formosa to Kiushu. Bonin Islands are particularly important since these could be used as base for air raids on Tokio.

3. Reduction of Army. Until above fortresses are demolished a strong army will be all the more necessary to meet naval reduction.

4. China. Japan has no territorial designs on China. Present status in Manchuria is necessary for supply of food and raw materials. It is hoped to develop Mongolia so as to obtain beef, mutton, hides and wool.

No. 428

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston

(Received November 20, 7.35 p.m.)

No. 457 Telegraphic [F 4262/63/23]

TOKYO, November 17, 1921

I had an interview with new Prime Minister.¹ This afternoon he² expressed general approval of American proposals for naval disarmament subject to expert criticism.

He said that if Great Britain, Japan, and United States were able to come to an agreement it could not be denied that the need for an Anglo-Japanese alliance was diminished, but if alliance became superfluous it also became harmless and he could not see why United States should object to Great Britain and Japan recording their friendship in a formal agreement. But whether such an agreement was continued or not, he was sure that friendly feeling between Great Britain and Japan would remain unchanged.

¹ Viscount Takahashi had been appointed Prime Minister of Japan on Nov. 13 in succession to Mr. Hara, who had been assassinated on Nov. 4.

² As sent from Tokyo the text here read: 'Prime Minister this afternoon. He'.

No. 429

Mr. Balfour (Washington Delegation) to Mr. Lloyd George¹

No. 3 [A 8991/18/45]

WASHINGTON, November 17, 1921

Sir,

The Conference has now passed the preliminary stages and settled down to the serious work before it. As you will have gathered from my telegrams, the work is divided into two main branches: first, limitation of armament; and, second, China and the Pacific, which will be dealt with simultaneously.

Limitation of armament is in the hands of a committee composed of all

¹ A copy of this despatch was sent to the Foreign Office on Dec. 6.

the delegates of each of the five Principal Allied and Associated Powers. The question of China and the Pacific is in the hands of a Committee of all the delegates of the nine Powers represented at the Conference.

The Committee on Limitation of Armaments has already remitted the question of naval disarmament to a Technical Sub-Committee composed of Colonel Roosevelt (in the chair), Admiral of the Fleet Lord Beatty, Admiral de Bon, Admiral Acton and Admiral Kato.²

The Committee on Pacific and Far Eastern Problems has received an important statement by the Chinese Delegation,³ which will probably form the basis of its future discussions so far as China is concerned.

I do not propose, therefore, in this despatch to enter into the many problems that are beginning to present themselves as the result of the preliminary investigations of the two Committees. These can more conveniently be dealt with by means of telegraphic despatches, and any remarks I might have to offer would be out of date before this despatch is received.

In remitting questions to Sub-Committees the two Committees retain all powers of decision, and, so far as the Naval Technical Sub-Committee is concerned, it has already been decided that it is to have no publicity of its own, all announcements being made through the parent Committee.

The question of military disarmament has not yet come before the Conference, but I understand that within a few days M. Briand will make a statement in plenary session of the conference on this subject.⁴

Sir Maurice Hankey has addressed a separate despatch to you regarding the arrangements made for examining these questions by the British Empire Delegation in order to co-ordinate the views of the several delegates from Great Britain, the Dominions and India.⁵

At this Conference, as at previous conferences in Europe, the question of publicity presents great difficulties. Apart from the usual congregation of distinguished journalists from all parts of the world, quite a number of well-known editors, authors and publicists have assembled at Washington. In spite of the strong desire of all the delegations at the Conference for the widest publicity, the task of giving this great array of journalistic talent sufficient material for their daily articles without jeopardising delicate negotiations is no easy one.

The two main Committees of the Conference have decided to issue after every meeting a communiqué, and there is a gentleman's understanding that beyond this nothing shall be given to the press. I regret, however, that

² The last three Admirals represented France, Italy, and Japan respectively. Admiral Baron Kato, Japanese Minister of Marine, was a leading member of the Japanese delegation to the Washington Conference. Cf. *C.L.A.*, pp. 420-1.

³ For the text of this statement, see the minutes of the first meeting of the Committee on Pacific and Far Eastern Questions, held on Nov. 16, printed in *C.L.A.*, pp. 862-71.

⁴ M. Briand, French President of the Council and Minister for Foreign Affairs, made his statement on Nov. 21; cf. No. 439 below. For French documents relating to this statement and to further proceedings of the Washington Conference, see *Documents Diplomatiques: Conférence de Washington, juillet 1921-février 1922* (Paris, 1923).

⁵ This despatch has not been traced in Foreign Office Archives.

already there are unmistakable signs that this arrangement is not being closely adhered to.

Mr. Hughes has informed the committees that it is his custom to see the press every day in order to give them help and guidance. The British Empire Delegation have agreed to carry out the same procedure. Arrangements have been made that at frequent intervals, for the present, indeed, every day, one member of the Delegation shall see the press and answer such questions as they may address to him, so far as he can do so consistently with the understanding referred to above. Sir Arthur Willert, the publicity officer, and Lord Riddell (who is in Washington as the representative of the British press) accompany the delegate to these meetings with the press in order to assist him and to secure co-ordination. In addition, Lord Riddell, in accordance with a long-established custom at international conferences in Europe, sees the press once or twice a day.⁶

It remains to be seen whether this arrangement will work satisfactorily, and possibly modifications of procedure may from time to time have to be introduced.

It is impossible to forecast at the present time how long the Conference will last. The proposals of the American Delegation in regard to limitation of armaments, and of the Chinese Delegation in regard to China, provide a basis for discussion, but as the proposals come to be discussed in detail no doubt fresh details will present themselves for discussion in committee or sub-committee, which renders difficult any forecast at the present time.

I have, &c.

A. J. BALFOUR

⁶ For Lord Riddell's account of relations with the press, see *Lord Riddell's Intimate Diary of the Peace Conference and after, 1918-1923* (London, 1933), pp. 338 and 344.

No. 430

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 21 Telegraphic [A 8589/18/45]

FOREIGN OFFICE, *November 18, 1921, 1 p.m.*

Your telegram No. 14 (of 14th November).¹

Following from President of Board of Trade for Sir Llewellyn Smith.

Board of Trade have carefully considered questions raised and have consulted certain representatives of armament firms, namely, Douglas Vickers, West and Hichens. As between American plan of long-period naval holiday followed by period of active building, and alternative plan of short-period naval holiday followed by regular limited annual construction, Board see no appreciable difference as regards employment for some time to come. In either case immediate effect the same. Impossible to forecast if labour displaced could be absorbed elsewhere within three years; but given a revival

¹ No. 418.

of trade and normal activity complete absorption by end of that period might reasonably be anticipated. Amount of labour at present employed which would be displaced by adoption of either plan comparatively small, though hopes of early re-employment of much larger numbers at present idle would be disappointed. As regards employment, Ministry of Labour observe 'that on the assumption that a certain definite tonnage is to be maintained, it is preferable that the building of this tonnage should be spread as evenly as possible over a period of years'. In view of Board the long run economic advantages of naval holiday scheme more than outweigh any immediate dislocation. From point of view of psychological effect on trade and industry Board are disposed to think American plan preferable.

American plan would seem on the whole not less conducive to efficiency than alternative scheme. With a large demand upon them likely to arise at end of long holiday period comparatively small subsidy would probably induce private works and yards to keep them in being to sufficient extent and do moderate amount of experimental work. Moreover this plan would retain element of competition which would be absent under alternative plan, since that would provide insufficient work for example for more than one armour plate mill. It appears that no great difficulty likely to be experienced in getting together staff and labour to meet large demand even at end of long holiday period. The limiting factor is plant.

Possibility of continued maintenance of private works and yards would be diminished by prohibition of manufacture on foreign account. Unless smaller foreign countries prevented from adding to or renewing existing naval armaments, effect of such prohibition will be to force them to set up munition works and naval yards of their own, and they will be bound to have recourse to existing armament firms for advice and assistance, since no experience elsewhere obtainable.

Effect of proposals generally on armament firms no doubt considerable, especially as some of new branches of industry in which certain of them have engaged since armistice have not been markedly successful, and bulk of armour and gun plant cannot be turned to other uses.

No. 431

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 18, 11.20 p.m.)

No. 34 Telegraphic [F 4243/4076/10]

Urgent

WASHINGTON, November 18, 1921

Question is bound to arise in the immediate future of renunciation of 'spheres of influence' and all non-alienation agreements in China. This will certainly bring up our agreement of 1846 respecting Chusan¹ and that of

¹ The reference is to Articles III and IV of the Bocca Tigris Convention of April 4, 1846, by which China undertook that on the evacuation of Chusan by British forces the island should never be ceded to any other Power (see *B.F.S.P.*, vol. 34, pp. 26-27).

1898 about Yangtze region.² Both of these agreements are obsolete. The first would be completely covered by general undertaking which Chinese desire to make. The second has been implicitly surrendered under Consortium Agreement. I propose to state this when I think moment opportune.

I shall add that Anglo-French declaration as to Ssuchuan and Yun[n]an of 1896 has lapsed by mutual agreement (see p. 42, confidential printed memorandum No. 11728).³

See my telegram No. 33 of to-day giving indication of French methods.⁴

² See Hertslet's *China Treaties*, vol. i, pp. 119-20.

³ The reference is to a Foreign Office Memorandum of Oct. 10, 1921, on 'Foreign Leased Territories and Spheres of Influence in China' specially prepared for the Washington Conference (see No. 404, pp. 441 and 443). For the text of the Anglo-French declaration of 1896, see *B.F.S.P.*, vol. 88, pp. 13-17.

⁴ See No. 425, n. 1.

No. 432

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 19, 11.45 a.m.)

No. 36 Telegraphic [A 8604/18/45]

WASHINGTON, November 18, 1921

Lord Beatty and I saw Mr. Hughes this afternoon and discussed whether question of number of capital ships to be assigned to France and Italy should at present stage be discussed by technical sub-committee on limitation of naval armaments. Mr. Hughes recognized that for obvious reasons size of British navy cannot be considered without relation to possible French and Italian navies. He pressed strongly, however, that it was essential to obtain Japan's consent to proposed allocation of capital ships between three great naval Powers before embarking upon any subsidiary problems. He thinks that to yield to Japan's desire for an increased ratio would wreck the whole scheme: and that we should, therefore, concentrate all our immediate efforts on bringing Japan into line. We, therefore, agreed as follows:

1. That subject to Baron Kato's consent, question of number of American, British and Japanese capital ships should be discussed forthwith, between Mr. Hughes, Baron Kato and myself.¹
2. That it was clearly understood that number of capital ships assigned to British Empire must be subject to satisfactory arrangements being reached in regard to numbers of French and Italian capital ships.
3. That pending discussion referred to above, proceedings of naval technical (? committee) should proceed very slowly.

¹ For their preliminary conversation on this subject, see No. 436 below.

No. 433

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 19, 8.30 a.m.)

No. 37 Telegraphic [F 4250/2635/10]

WASHINGTON, November 18, 1921

Mr. Wellington Koo¹ came to see me yesterday and attempted to get definite assurances from me on following points.

(1) That we had no intention of putting forward any plan for (? financial) control of Chinese internal affairs.

(2) That we would not support any attempt by Japanese to increase their influence and interests in Manchuria.

With regard to (1), I reassured Mr. Koo categorically.

With regard to (2), I contented myself with saying that no suggestion had reached me that Japanese intended to bring forward any specific proposals of this nature.

Mr. Koo, whose manner throughout had been most conciliatory, went on to suggest that an unsatisfactory attitude on our part in this latter respect might be prejudicial to our commercial interests in China and to forthcoming Tibetan negotiations.

I did not discuss these suggestions.

¹ Chinese Minister at London and a leading Chinese delegate to the Washington Conference.

No. 434

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received November 18)

No. 426 Telegraphic [F 4251/179/10]*

PEKING, November 18, 1921

My telegram No. 424.¹

To relieve panic causing run on banks in question, Chinese Government propose to liquidate their large overdraft at banks by drawing on customs balance in hands of Inspector-General of Customs,² who by Presidential mandate of 3rd March last³ was entrusted with service of consolidated silver debt (internal loan), and assign⁴ future customs surplus for formation of sinking fund. Chinese foreign bondholders have subscribed to these loans on strength of guarantee offered by management of debt service by Inspector-General of Customs.

¹ No. 422.

² Sir F. Aglen.

³ For particulars of this mandate, see Stanley F. Wright, *China's Customs Revenue since the Revolution of 1911* (3rd edn., Shanghai, 1935), p. 304.

⁴ The text received at Tokyo read 'assigned'.

Chinese Government accordingly addressed note to doyen of *Corps diplomatique* on 16th November requesting their consent to release 6,000,000 taels from customs surplus, and asking them to notify Inspector-General of Customs to make prompt remittance of that amount. Matter was discussed at meeting of *Corps diplomatique* this afternoon, and reply was sent regretting inability to comply with request, since, in consequence of Presidential mandate of 3rd March last, to transfer such funds to any other purposes than that already assigned would constitute a serious breach of trust.⁵

I have since learnt that, in response to an appeal from Central Government, Changtso-lin has despatched 3,000,000 dollars in cash by special train, which should arrive here to-morrow.⁶

(Repeated to Tokyo.)

⁵ In his telegram No. 360 of Nov. 30 (not printed) Lord Curzon informed Sir B. Alston that, in reply to Chinese representations in London, he had stated that H.M.G. 'were in accord with the action of the diplomatic body' and greatly regretted their inability to comply with the request.

⁶ In his telegram No. 430 of Nov. 22 (not printed) Sir B. Alston reported that the treasure sent by Chang Tso-lin, Inspector-General of Manchuria, was now said to be much less than first stated and that it had all been lodged with Chang Tso-lin's own bank, the two Government banks having received none. For the moment, however, the situation was calmer.

No. 435

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 20, 8.30 a.m.)
No. 41 Telegraphic [F 4253/2635/10]

WASHINGTON, November 19, 1921

My immediately preceding telegram.¹

Mr. Koo's attitude this morning created a bad impression on conference and gives cause for suspicion that he may contemplate bringing up such questions as status of Tibet. This would be in direct variance with assurance given to H.M. Minister at Peking by Chinese Minister for Foreign Affairs on November 2nd (see your telegram No. 1).² Senator Lodge³ was intensely annoyed by Mr. Koo's foolish attitude and did not trouble to conceal this from Mr. Koo or (? consequences). You may consider it desirable that hint should be dropped at Peking to restrain Mr. Koo.⁴

Repeated to Peking.

¹ Not printed. This had summarized Baron Kato's declaration and the subsequent discussion at the second meeting of the Committee on Pacific and Far Eastern Questions: for the minutes of this meeting, see *C.L.A.*, pp. 872-87.

² The reference would appear to be to F.O. telegram No. 694 of Nov. 11 to Washington 'for Washington Delegation', not printed. This had informed the delegation of the Chinese Minister for Foreign Affairs' assurance that the press report published in Peking on Nov. 2 'that China had decided to bring up Tibetan question at Washington was quite untrue'.

³ Senator Henry Cabot Lodge, a member of the U.S. delegation to the Washington Conference and Senator for Massachusetts.

⁴ In his telegram No. 349 of Nov. 22 to Peking (not printed) Lord Curzon informed Sir B. Alston that he might 'take such action, if any', as he thought opportune.

No. 436

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 20, 8.30 a.m.)

No. 43 Telegraphic [A 8609/18/45]

WASHINGTON, November 19, 1921

Mr. Hughes, Baron Kato and I had preliminary conversation this afternoon in regard to Japanese claims for larger proportion than 60 per cent of British and American numbers in capital ships. Mr. Hughes emphasized fact that American plan was not based on any calculation of respective requirements of the three countries but rather on actual facts of their comparative strength. This seemed to him the only practical method of dealing with the situation: any other course would lead to endless and inconclusive discussion. He said that on this basis Japan was, according to his experts, entitled to only 50 per cent of English and American strength; but that 60 per cent was chosen so as to give generous margin.

I expressed my agreement with Mr. Hughes' scheme, explaining that I did so on practical grounds alone. If we began to argue about the relative needs of the three Powers I thought I could show that the British Empire stood more in need of battleships than the United States, but I was perfectly prepared to approach the subject from Mr. Hughes' point of view, believing as I did that this did not threaten the security of the British Empire. I hoped that Japan would do the same. Baron Kato did not reject the principle of American scheme but desired to examine figures with his experts and with ourselves. This was agreed and we shall meet on Monday afternoon¹ to deal with this aspect of the problem. General tone of the conversation was friendly.

¹ i.e. Nov. 21. No record of such a meeting has been traced in Foreign Office archives.

No. 437

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 21, 8.30 a.m.)

No. 44 Telegraphic [A 8616/18/45]

WASHINGTON, November 20, 1921

When M. Briand arrived in this country a fortnight ago, idea which he expressed in conversation with various Americans friendly to us was that he would be able to do some deal with United States at the expense of, or which would at least be (? annoying) to Great Britain.

This morning he asked to see me and Sir A. Geddes.

We saw him this afternoon and he talked to us for three-quarters of an hour.

He told us that in his view, American objective in conference was to be

found in internal politics of the United States, that it was to lighten taxes and to acquire prestige for Republican Party. He expressed himself as believing that Secretary of State cared only for two things, first to secure some measure of naval disarmament with a view to reducing expenditure and secondly get something done for China which would appeal to those sections of American public interested in missions in that country.

For the rest Secretary of State knew nothing of Europe or its difficulties and less if possible of the Far East.

These themes he elaborated, speaking at some length on European situation. He announced his intention of sailing for France this week and spoke with cordiality of meeting Mr. Lloyd George and of discussing with him affairs in Turkey and other outstanding difficulties between France and ourselves.¹ I am inclined to believe that M. Briand's purpose in coming to see me was to let us know he had come to conclusion that France had nothing to hope for from United States and that he had realized that co-operation with Britain was essential for France.

If this be so, it means that French are at last convinced that Lafayette credit upon which they have counted so heavily,² has been completely exhausted and have come to appreciate realities of position which they occupy in American mind.³

¹ Documents relating to M. Briand's conversations with Mr. Lloyd George, which took place during his visit to London from Dec. 18 to 22, 1921, will be printed in Vol. XV, Chap. VII.

² The reference is to the help given to the American colonies in the War of Independence (1776-83) by the Marquis de Lafayette and other Frenchmen.

³ Lord Curzon commented: 'M. Briand will return to Europe like the Ancient Mariner

"a sadder and a wiser man
He rose the morrow morn"

C 21/11.'

No. 438

*Lord Hardinge¹ (Paris) to the Marquess Curzon of Kedleston
(Received November 21)*

No. 3219 [A 8620/18/45]

PARIS, November 20, 1921

My Lord,

It is, I think, desirable that I should supply Your Lordship with a brief survey of the effect on public opinion and the Press in France of the opening meetings of the Washington Conference.

That Conference has been looked forward to in France with a certain amount of apprehension. It was felt that the position of France must, in view of the questions to be discussed, be a subsidiary one, unless she could discover for herself some rôle which would worthily reassert her glory as victor

¹ H.M. Ambassador at Paris.

in the war and her position as spiritual leader of the world. As possessor *par excellence* of the 'mission civilisatrice', she could not afford to remain in the background when the welfare of Humanity was being sought. But the difficulties in her way were manifest. She had become unpopular in the United States. Her interests in the Pacific, though extensive, were not comparable to those of Great Britain, the United States or Japan. The reduction of naval armaments was to be discussed: she had but little to reduce. The sphere in which she could expect to play a leading part was that of land armaments: and this question she was reluctant to see raised.

At the same time it seems to have been confidently hoped that the interests of Great Britain and the United States both as regards the Pacific and the Naval question would be so divergent as to be irreconcilable without the services of a mediator. The greater the divergence, the more important would the mediator's position be. On the occupation of this position a great part of French opinion fixed its hopes. And it is doubtless with this end in view that for some months past an intensive pro-American propaganda has been carried on in France.

From this point of view the events in Washington have so far been disappointing to France. Mr. Harding's opening address was, it is true, received with the enthusiasm which may not be withheld from idealistic utterances.² And enthusiasm still marked the first comments on Mr. Hughes's more practical speech; for it was considered impossible that Great Britain could accept his proposals, and the looked-for breach between Great Britain and the United States seemed already to be made. The acceptance of the proposals by His Majesty's Government was therefore received in France with astonishment and even, perhaps, disappointment. The hopes of France acting as mediator and playing one side off against the other seemed to have vanished. A *rapprochement* seemed to have taken place overnight between Great Britain and America. At once the fear was expressed that France was isolated. She was not a great naval Power, she was not a great Pacific Power, her chief delegate knew no English, and her mediation was not needed. Great Britain had, perhaps not unwillingly, let herself be drawn from the European system into the orbit of America, and had thus, it was declared, obtained a brilliant diplomatic victory. She had doubly pleased the United States and had not offended Japan. In the first place, she had accepted the naval proposals (which were clearly beneficial to herself). In the second place, without denouncing the Japanese Alliance, she had loosened its hold by letting it be known on the one hand that she would not tolerate a change in the *status quo* in the Pacific, on the other that she would support the Japanese claim to a preponderating economic position in Manchuria. Meanwhile it was irritating for Frenchmen to observe that their country had only been mentioned in the discussions on naval disarmament in order to be relegated with Italy to an inferior naval category 'to be dealt with later'. The irritation was succeeded by alarm when Mr. Balfour was reported to have laid down that

² For the opening address on Nov. 12 by Mr. Harding, President of the U.S.A., see *C.L.A.*, pp. 44-49.

naval and land disarmament were interdependent. It was immediately pointed out that whereas, especially in view of the Conference, the Naval Powers were threatened by no danger, France had been left by the other Allies and Associated Powers face to face with an unrepentant and revengeful Germany, with whom she must cope single-handed. This she must never forget, and, accordingly, she must refuse to reduce her army. What is more, M. Briand must make this clear to the conference. And, according to the *Figaro* he must emphasise France's position as the defender of civilisation on the Barbarian March, and 'return with a Rhine policy'.

It is, however, on the subject of the naval disarmament proposals, as they are likely to affect France, that most disapproving comment has been made. When they were examined in detail, the fear gained ground that, if, as seemed probable, France and Italy were eventually required to reduce their fleets in proportion to the reductions made by Great Britain, the United States and Japan, what remained to them would be so little as to be negligible. France had a large coast-line and lines of communication with her overseas Colonies to defend, since from these Colonies she would have to draw troops for any future war. For this reason she must possess numerous light cruisers, and, above all, submarines. The latter, as Mr. Balfour himself had said, were the weapon of the weak. They were invented by France for defensive purposes, and it has always been her intention to build a large fleet of them. Ninety thousand tons is a very modest figure, insufficient to France's needs. But this is the total allowed to England. France must expect to have a yet smaller figure allotted to her. This was the state of mind when it was announced from Washington that the British delegation demanded more light cruisers for the British Navy, and at the same time advocated not only a large reduction in the limit of ninety thousand tons assigned for submarines, but also the total suppression of large sea-going craft of this kind. Ignoring the fact that in the demand for more light cruisers France was at one with Great Britain, the French press immediately fixed on the British proposal for a reduction of the submarine tonnage. It was aimed at France, for whom a large submarine fleet was a vital necessity. The British desire was to be predominant in the Mediterranean once more. With part of the British 600,000 tons based on Gibraltar and Malta, France, with a reduced fleet and no increase in the number of her submarines, would be unable to breathe in that sea in which she had been given the chief position during the war. It was even suggested in one paper that England would make Constantinople into another Gibraltar. This was the third occasion since the war on which England had tried to secure the abolition of the submarine. Her attitude on this subject was identical with that which she took up towards corsairs at the Paris Conference of 1856.³ But France must not give way. She was the champion of the smaller naval Powers. Further, it would be absurd to tie one's hands as to types of warship when methods of warfare were so rapidly changing.

³ By the Declaration of Paris on maritime law, signed on April 16, 1856, the formal abolition of privateering had been secured.

As if to emphasize this point of view, the Senate Naval Committee, which had hitherto approved the Ministry of Marine's project for the building of 12 submarines in each of the next three years, increased the total number proposed by 24. It is, however, worthy of remark that at any rate for the 12 submarines figuring in the 1921 estimates no money was provided in the budget for that year. The action of the Senate Committee is taken as indicating that the French Government wish to have something to bargain with in case the limitation of the French army is proposed. And the conversation with a member of the Ministry of Marine (reported in my despatch No. 3210 of November 18th)⁴ in which that officer told the Naval Attaché that France would claim the right to the position of third Naval Power and demand authorization to build accordingly—a claim which her financial position renders impossible of realisation—seems to support this view.

As regards the general question of disarmament, the *Temps* has put forward the view that the consent of each nation to disarm to a limit imposed according to the general view of her necessities and the dangers with which she is likely to be faced, entails a general obligation on the other nations to come to her aid if she finds herself face to face with dangers greater than those contemplated when the limit of her armaments was fixed.

Of the French press correspondents at the Conference, it should be said that M. Philippe Millet, who writes for the *Petit Parisien*, has throughout his messages shown breadth of view and a friendly and understanding appreciation of the British position and point of view. 'Pertinax's has been fair in his comments, and appears well to understand the American point of view. Where Philippe Millet, however, is, on the whole, optimistic, 'Pertinax' is sceptical and cynical. Both realise that France cannot and should not try to play a leading rôle at the Conference. Stéphane Lausanne, writing for the *Matin*, has mitigated none of his ill-feeling towards Great Britain.⁶

I have, &c.

HARDINGE OF PENSHURST

⁴ Not printed.

⁵ *Nom de plume* of M. André Géraud.

⁶ Sir William Tyrrell, Assistant Under-Secretary of State for Foreign Affairs, commented on Nov. 23: 'The submarine may be the rock on which the American proposal may be shipwrecked. We cannot possibly scrap Capital ships whilst all Powers navally inferior to us concentrate on submarines. If this shipwreck is to be avoided America will have to join us in our attempt to restrict or abolish the submarine. I doubt very much whether public opinion in the States will allow this. I am quite sure the French will stubbornly resist any such attempts, even if we were prepared to enter into an Alliance with her, as I think she will always argue that the absence of submarines would place her too much at our mercy and that therefore we should always be in a position to dictate to her. It seems to me that the Washington Conference will bring it home to us that the advent of submarines and aircraft very seriously impair our natural frontiers, and will reduce us to the position of a continental Power. It would be a curious outcome of this Conference if it forced us to face the problem of having to maintain a large army in order to redress the balance as regards ourselves and France. I do hope we shall take a firm stand on this submarine question and not allow ourselves to be deprived of Capital ships, whilst other Powers are at liberty to develop their submarine construction.'

No. 439

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 33 Telegraphic [A 8711/18/45]

FOREIGN OFFICE, *November 22, 1921, 9.30 p.m.*

Following from Prime Minister.

Government regard Briand's statement regarding French land and air armaments, not to speak of French attitude on submarines, with grave anxiety.¹ Reductions which he indicates will reduce troops with colours but will proportionately increase reserve and they will in no way affect France's power to mobilise an army of overwhelming strength at very short notice. His references to German disarmament were very disingenuous. So long as Germany has any men of military age they must of course be regarded as potential soldiers and the German Staff will no doubt continue to work out plans for organising large numbers in formations and units. But Germany has been deprived of all the essential equipment of a large army. She has given up large and small artillery, tanks, transport, aeroplanes, field-kitchens, machine guns, small arms and her whole reserve of munitions and none of these can be replaced without prolonged effort over a period of years which could not be concealed from other Powers. Briand's case is therefore no case and we cannot contemplate a result of the Washington Conference which would leave France and other European nations as powerfully armed as before while we alone having already reduced the army and the air force to the minimum had also bound ourselves to a great reduction of the navy. This aspect of the question is being carefully considered by the Committee of Imperial Defence, and Government will communicate their conclusions as soon as possible. As these may involve strong representations at Washington please do not commit yourself meanwhile in any way to acceptance of the French position.

¹ For M. Briand's statement at the third plenary session of the Conference on Nov. 21, see *C.L.A.*, pp. 116-35.

No. 440

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 36 Telegraphic [F 4243/4076/10]

FOREIGN OFFICE, *November 23, 1921, 6.30 p.m.*

Your telegram No. 34.¹

Your proposals with regard to Chusan, the 1898 Yangtze Agreement, and article 4 of the Anglo-French declaration are agreed to. The opportune moment for making your statement would appear to be when the cardinal principles of the integrity of China and the open door and equal opportunity

¹ No. 431.

are effectively secured, and when other Powers abandon their spheres of influence.

I should add that there has been no mutual agreement for the extinction of the Anglo-French declaration, but as stated in memorandum No. 11728² it has been a dead letter.

² See No. 431, n. 3.

No. 441

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 352 Telegraphic [F 4204/2635/10]

Very urgent

FOREIGN OFFICE, *November 23, 1921, 6.30 p.m.*

Your telegrams Nos. 424¹, 401, and 427.²

His Majesty's Government cannot, in advance of any discussion there may be at Washington, agree to proposed customs surtax, which is clearly intended to provide funds to bolster up an effete and moribund government.

Measure, at best, could only serve to postpone the apparently inevitable day when the radical reform of China's finances will have to be undertaken.

Repeated to British delegation, Washington, No. 35, with reference to Foreign Office despatch No. 21.³

¹ No. 422.

² Of Oct. 25 and Nov. 19 respectively, not printed.

³ Of Nov. 10, not printed.

No. 442

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 37 Telegraphic [A 8711/18/45]

FOREIGN OFFICE, *November 23, 1921, 12 midnight*

Very urgent. Personal and secret

Committee of imperial defence have further considered situation arising out of disarmament proposals. Their technical conclusions follow separately.¹ We feel very strongly that question of land armaments cannot remain where it was left by published speeches of M. Briand and yourself.² The position of this country *vis-à-vis* France will become impossible if British navy is to be restricted in accordance with American proposals while the French army continues on the scale of at least a hundred divisions together with overwhelming aviation and the intention to build a very large fleet of submarines. General staff point out alterations in terms of service announced by M. Briand involve an actual large increase in mobilizable forces available at the end of a few years, as shorter service augments the reserve. To represent this as a diminution was disingenuous on his part. General staff do not accept

¹ See No. 443 below.

² See No. 439, n. 1 and for Mr. Balfour's speech, *C.L.A.*, pp. 134-7.

his statements about Germany but adhere to facts recorded in their papers furnished to you. They also draw attention to armies of French potential allies, viz. Poland with thirty divisions and Czechoslovakia with twelve, Roumania with twenty-three, Yugoslavia with sixteen. We cannot agree that land armaments on this scale are necessary or that they could fail to be other than a serious menace to the peace and freedom of Europe. M. Briand's attempt to strengthen his case by a reference to the war between Russia and Poland³ was entirely misleading. As you recollect it was *opéra bouffe*. The two armies merely marched and counter-marched, and the Russians never fought an action at all. They have no army or equipment comparable in strength to Poland, Roumania or Czechoslovakia, and will not be able to organize on that scale for years to come.

Secondly, you are already fully impressed with the disparity in the air forces available in France and in England. Chief of air staff calculates that at the present time not less than thirty tons of explosives could be dropped on London every day by France, i.e. three times as much as the worst air raid experienced in the war. We recognize reluctantly the practical difficulties in enforcing a limitation in air armaments, but surely these grave facts ought not to be withheld from the consideration of the secret committees of the conference.

Lastly, and most important, is the question of the abolition of the submarine. French naval budget provides for twelve new submarines, and Senate committee have just recommended twenty-four additional,⁴ i.e. almost equal to our whole present fleet. Distinction between ocean-going and defensive submarines does not help us in the case of France, which both in Mediterranean and in Channel lies so close to our vital food routes that medium-sized submarines nominally for coast defence could actually establish a mortal blockade of Great Britain. In this connection the air power of France would also be a factor of ever-growing potency, both in the Channel and in the Mediterranean.

Anxious as we are and have proved ourselves to disarm and to march hand in hand with United States, we cannot contemplate a situation where Great Britain would be in a few years at the mercy of France if present happy relations were to deteriorate. We think that the Americans ought to be made to understand fully the gravity of this situation and to join with us in endeavouring to procure a general disarmament rather than disarmament by Britain alone. We take the most serious view of all these matters which may well affect the existence of the British Empire. It is also worth noticing that this heavy armament on the part of France by land, sea and air will be developed at a time when she is unable to pay us or the United States any interest on her debt and when we on her account will be compelled to indemnify the United States. We must finally most earnestly impress upon you the gravity of the situation in regard to which all five departments represented on the committee of imperial defence are in entire accord.

³ For documents relating to this war, see especially Vol. XI, Chap. II.

⁴ Cf. No. 438, p. 493.

Finally, it is essential to take into account the influence of French armaments on Europe and the world in general. The possession of this overwhelming superiority by one power makes real settlement impossible. It keeps Europe in a ferment and provides minor powers, such as Roumania, Czechoslovakia, Yugoslavia and Poland with a standing excuse for maintaining proportionately large armaments which are a temptation to themselves and a menace to their neighbours. Europe is worse in this respect now than in 1914 and the main cause is the persistence of France in her present policy. A limitation of naval armaments by the three great sea powers, the United States, Japan and ourselves, will not help the cause of world peace, on the contrary it will hinder it, if nothing can be done to reduce drastically the armaments of France and her satellites in Europe. We regard it as absolutely essential that this aspect of the question should be frankly and thoroughly faced at Washington.

No. 443

*The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 38 Telegraphic [A 8711/18/45]*

FOREIGN OFFICE, *November 23, 1921, 12 midnight*

Following from prime minister.

With reference to my immediately preceding telegram No. 37,¹ the committee of imperial defence have given careful consideration to the disarmament proposals. The committee draw attention to a secret memorandum dated 31st October, 1921, prepared by the general staff on Germany's military position and referring to the situation in Upper Silesia.² A copy of this memorandum was handed by the director of military intelligence to Lord Cavan, and, from this document, it will be seen that, so far as our information shows, the statement of M. Briand is obviously coloured since Germany could only under existing conditions put into the field seven infantry divisions and three cavalry divisions fully armed and gunned, and these would not be fully provided with aeroplanes or tanks. Further, Germany could probably mobilize in addition from four to five million men trained to arms, but of these only a few would be armed with rifles and machine guns and the divisions formed from them would be in possession of no artillery. Germany had no tanks and very few aeroplanes, while France has both in large numbers. France could put into field from her troops now in France forty-four infantry divisions and three cavalry divisions or including her overseas forces sixty-three infantry divisions and six cavalry divisions, and she could probably increase this strength after mobilization to some one hundred divisions, for which she possesses the requisite men and equipment. For the moment, therefore, it would appear that Germany is no military menace to France.

¹ No. 442.

² This memorandum has not been traced in Foreign Office archives.

On the other hand, the general staff point out that on the withdrawal of the military disarmament commission now in Germany, we shall not have the same assurance that this latter power will not then be able to manufacture the necessary war material to equip the formations for which she now possesses trained men, but it should be noted that this cannot be done in large quantities except over a long period during which the process must become fully known to foreign powers.

The question must also be considered from the point of view of France's potential allies and it must be remembered that Poland could provide thirty divisions and Czechoslovakia twelve, Roumania twenty-three, and Yugoslavia sixteen, while although Russia is estimated to have sixty-four divisions it is not thought that this force need be taken into serious account under existing conditions. Again, the committee call attention to the new terms of service about to be introduced by France which were referred to by M. Briand, and point out that, under the new conditions, France will have available twenty classes for her active army on mobilization instead of the fourteen which she had available in 1914, and the general staff estimate that, if the classes prior to 1920 are reckoned at two hundred thousand each and the 1920 and subsequent classes at two hundred and fifty thousand each, the result will be that France will have available in 1923 four millions, one hundred and seventy-five thousand men and in 1940 five million men, in place of the three million, three hundred and four thousand men available in 1914, although in peace the active army will actually be reduced by three hundred and seventy-five thousand men. The above figures exclude officers and natives of North Africa and the colonial army.

Although good relations between the two countries will no doubt continue, the committee cannot but view with apprehension the situation which might arise in a few years' time if the French military proposals are carried out whilst Great Britain is reducing her fleet. The committee regard the comparative air strengths of France and Great Britain as even more serious, especially in view of the fact that the British air force is almost entirely distributed throughout her oversea territories. The danger to England to attack by a French air force is very great. The French have large numbers of squadron[s] which they are in a position to mobilize at full strength very quickly. The air staff estimate that France could provide at very short notice twenty-nine bombing squadrons and in addition thirty-four squadrons for cooperation with their military forces and that these latter could, if desired, be made available for attacks on the south-east coast of England. It is thus estimated that even allowing for a reasonable percentage of machines not being available, France could drop thirty-one tons of bombs daily on London and the south-east of England and thirteen tons every night, without allowing for the use that might be made of their civilian aircraft. The view was also taken that, under existing conditions, it is impossible to limit the number of aircraft available for the reason given in paragraph 31 of the committee of imperial defence paper 280 B.³ The views of the air staff on this

³ Not traced in Foreign Office archives. Cf. No. 546 below, § 6.

question are given fully in the committee of imperial defence paper which will be sent to you by next mail.⁴ With reference to M. Briand's speech, the air staff call attention to the fact that the small quantities of aircraft now in possession of Germany is [*sic*] dealt with on page 15 of committee of imperial defence paper 280 B.

The committee of imperial defence regard, however, the French wish to have numerous submarines the most serious matter of all. If France has a large submarine force in a future war Great Britain might be cut off for all practical purposes from sea-borne supplies. France dominates the sea approaches to the United Kingdom from the south and could make the English Channel and the Mediterranean impossible for British sea-borne trade by the use of her submarines, even though of the small defensive type. France has potential submarine bases in Tonquin, West Africa, the Red Sea and on both sides of the Mediterranean, in addition to the bases on the English Channel and the western coast of France, which are all close to British sea routes. Great Britain would consequently in a war with France require a very large force of destroyers and small craft to cope with large French submarine flotillas; indeed, a far greater tonnage in destroyers and small craft than is proposed to be allowed to Great Britain by the Washington conference. Submarines can only be dealt with by such small craft if an adequate force of heavy ships is available to back up and guard this craft from attack by larger vessels. Further, the capital ships of Great Britain are becoming obsolescent as regards resisting attack by submarines and air craft. The French 1921 programme provides for twelve submarines, and in addition the Senate has suggested the construction of twenty-four more for coast defence purposes. In this connection it cannot be too strongly pointed out that in considering our position *vis-à-vis* France, no distinction between defensive submarines and long distance ocean going submarines is of any use as French coast defence submarines would, in a war with France, be quite capable of destroying British trade owing to the proximity of French bases to a large number of our vital trade routes.

It is also pointed out that a large French air force would be a menace to our merchant shipping in the Mediterranean and the English Channel, and that it would be necessary for us to provide aircraft carriers to accompany merchant convoys and protect them from air attack.

It is for consideration if the United States, Great Britain, France and Japan were to agree to abolish submarines altogether, whether they would lose anything by doing so. None of the four countries has aggressive designs and no wars will be provoked by any of them. Such dangers as might possibly threaten them from other quarters must come from either Germany or Russia, and against neither of these powers would submarines be required, for in the event of war between Germany and France, the French forces could destroy German trade with surface vessels owing to the inferiority of the German navy. It is contended, therefore, that if the four powers mentioned above were to do away [with] submarines altogether none of them

⁴ No relevant paper has been traced in Foreign Office archives.

would be running any serious risk, and that if the minor powers claimed that submarines constituted a cheap means of coast defence, it ought to be possible in a cause of this kind to exercise such pressure on them as to compel them to follow the worthy example set to them. The fact that the submarine constitutes so deadly an organ of war at a small cost makes it all the more important to eliminate it, since the object of disarmament is not only the saving of expenditure but the mitigation of the dangers of war.

The committee further suggest that it is for consideration whether the line adopted by M. Briand was not followed with a view to seeing whether the United States would make good their guarantee to give to France assistance in the event of unprovoked aggression by Germany as a prelude to disarmament, and as a ground for France being able to reduce her military and air force.

It is further suggested by the committee that Great Britain could afford to pay a big price for the abolition of submarines, and that if the British delegation were now to adopt an uncompromising attitude regarding M. Briand's military and possible air proposals it might be possible to bargain for the total abolition of submarines by modifying the extent of our opposition to the military proposals.

Finally, the committee of imperial defence, while pointing out that they see no reason for supposing that warm and cordial relations with France will not continue, cannot but view with apprehension the situation in which Great Britain may find herself in a few years hence with obsolete battleships and negligible military and air forces, with France in possession of large military and air forces, and a fleet to which may be added strong up-to-date submarine flotillas.

No. 444

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 42 Telegraphic [F 4250/2635/10]

FOREIGN OFFICE, *November 24, 1921, 6 p.m.*

Your telegram No. 37.¹

(1) I presume the assurance given referred to economic intervention on a big scale and could not be interpreted as precluding us from stipulating, in return for any concessions in the matter of leased territories, Boxer Indemnity, &c., that China should first furnish satisfactory guarantees of putting her house in order.

As regards (2) you will no doubt bear in mind third piece of advice to Mr. Koo recorded in my despatch to Sir B. Alston, of which copy was sent to Washington in despatch No. 1411 of October 28th.²

¹ No. 433.

² This despatch had transmitted a copy of No. 406 above.

No. 445

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received November 26, 8.30 a.m.)
No. 431 Telegraphic [F 4346/45/10]

PEKING, November 24, 1921, 7.20 p.m.

My telegram No. 403.¹

There are strong indications that Chang (? Tso) Ling and military chiefs in Manchuria intend to offer vigorous resistance to any scheme of international control of Chinese eastern railway and there is a circumstantial report of an understanding between them and the military authorities for the Far Eastern republic for concerted opposition if occasion arises.

Possibility of effective obstruction by Chinese should be taken into account in any proposals for extending foreign control of railway.

¹ Of Oct. 27, not printed.

No. 446

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 47 Telegraphic [F 4376/833/10]

Very urgent

FOREIGN OFFICE, November 24, 1921, 9.30 p.m.

Your telegrams Nos. 28,¹ 33² and 55.³

Cabinet have discussed questions of Wei-hai-wei and Boxer Indemnity, and their views are as follows:

Colonial and Foreign Offices attach much greater value to retention of Wei-hai-wei than you appear disposed to do, and think that in easily conceivable circumstances it may possess real importance in the future.⁴

We cannot object to consideration of question of leased territories though we should have preferred not to see it raised; but we think that we should be very clear as to what other nations are prepared to give up before we make any offer ourselves, and that surrenders, if contemplated, should bear some correspondence in value to each other. It is no sacrifice to France to give

¹ No. 425.

² See No. 425, n. 1.

³ Not traced in Foreign Office archives.

⁴ In a letter of Sept. 15 from the Colonial Office to the Foreign Office (not printed) Mr. Churchill (Secretary of State for the Colonies) was stated to be 'strongly of opinion that both Weihaiwei and Kowloon should not be given up, and that it is therefore undesirable to open up any negotiations which might lead to their surrender being mooted. . . . If the question is brought up by other powers at the Washington Conference, Mr. Churchill considers that the attitude of the representative of His Majesty's Government should be one of uncompromising hostility to the surrender of either of these leased territories, but, above all, to that of the Hong Kong Extension. . . . Mr. Churchill holds that its abandonment would be a shattering blow to British prestige in the Far East.'

back a place which she has never seriously occupied. Neither is it a concession on the part of Japan to offer to evacuate Kiaochow which she promised to return to China when she took it from the Germans. Further, we must be careful not to make any offer except for an adequate return. If mutual surrenders are to be made let them be aggregated together as part of a definite concession to a China that deserves the favour and is able to take advantage of it. To hand back any territory to a government that is devoid of authority and is all but bankrupt would appear to be an act of pointless generosity.

It would be much better to wait till China has put her house in order before conferring any such favours, and to be certain that we obtain something that will contribute to general solution in return. Similar considerations apply to Boxer Indemnity. Strong objections are entertained by Treasury to surrender of a sum of nearly £10,000,000,⁵ and it is doubtful if this can be done without consent of Parliament. But even if these objections were overcome it appears to us that remission should be common act of all the interested powers, that it should not be made except to a united and stable Chinese government, and that it should be part of a general settlement which would provide the powers with guarantees of definite reform. For ourselves we should require that if remission were recommended some portion of the money so remitted should be spent upon the education of Chinese on British lines.

Our general conclusions are that a decision on either subject is premature, and that China deserves no gratuitous favours at present stage of the conference.

⁵ In a letter of Nov. 22, however, to the Foreign Office (not printed) Mr. P. J. Grigg (a Principal in H.M. Treasury) wrote that the Chancellor of the Exchequer had asked him to send his views for Lord Curzon's information: 'There would be no Treasury objection to a proposal to return Wei-Hai-Wei to China, and the Chancellor is prepared for his part to agree to waive the balance of our claim in respect of the Boxer Indemnity if all the other claimants do likewise.'

No. 447

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 25, 8.30 a.m.)

No. 59 Telegraphic [A 8748/18/45]

WASHINGTON, November 24, 1921

Meeting of committee on limitation of armaments yesterday morning began with farewell speeches on M. Briand's departure and appeared about to end on this note. At this point, I received your telegram No. 33,¹ and in view of last paragraph, when my turn came to speak, I felt bound to keep the question of land armaments open by asking how it was proposed to deal with it. I also pointed out disappointment in Europe if this question was

¹ No. 439.

not raised. M. Schanzer² strongly supported me. M. Briand at once adopted uncompromising attitude. He was willing to subscribe to a platonic resolution even though he thought that it would be useless. But a discussion extended to effectives and war material could only be directed against France.

He had explained in open session why France could not reduce. All he was willing to discuss was such matters as gas, aircraft and laws of war which M. Schanzer had suggested. He made it quite clear that France would not take part in any investigation of land armaments. He repeated more than once that if the powers would share France's risk and give her a collective guarantee his attitude would be totally different. Unless they did this they had no right to interfere with what France considered necessary to her safety. French Chamber and Senate had given him explicit instructions to the effect that without a guarantee he must not allow France's land armaments to be discussed. In subsequent discussion during which M. Schanzer adhered strongly to his previous position, I made it clear that I could not accept exclusion of land or air armaments from conference.

Eventually question was remitted for consideration by heads of delegations who met the same evening and agreed to creation of three sub-committees to work under their own direction to consider respectively following questions:

1. Aircraft—quantity, character and use.
2. Poison gas.
3. Rules for conduct of land war.³

² Senator Carlo Schanzer, leader of the Italian delegation to the Washington Conference.

³ For M. Briand's account of this meeting, see *Documents Diplomatiques*, No. 43.

No. 448

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 25, 9.30 a.m.)

No. 60 Telegraphic [A 8763/18/45]

Urgent

WASHINGTON, November 24, 1921

Let me preface what I have to say about telegrams Nos. 33, 37, and 38¹ by one general observation.

Great danger we had to face when this conference assembled was post-Jutland naval programme of the United States.²

Thanks to their generous statesmanship this perhaps seems in a fair way to be overcome: but there are many difficulties ahead and even if Japan accepts American plan, France can wreck it without the least trouble by simply proposing that she proposes to have a battle fleet compared to that

¹ Nos. 439, 442, and 443 respectively.

² i.e. the U.S. programme of 1916. This provided for 16 new capital ships and was initiated after the Battle of Jutland between the British and German fleets in that year.

which she possessed before the war. Indeed, it will be difficult for any French Government with the best will in the world to acquiesce in very subordinate naval rôle which France is being asked to play. If they refused we should be compelled to add to our building programme with unforeseen results on building programmes of America and Japan. Is it not folly in these circumstances to wrangle over exaggerations in Monsieur Briand's speech or to complain of an army whose size only affects us in so far as it renders restraint of disarmament [re-armament] impossible?

It is not as if there was the least prospect of inducing France to change her policy unless America ratifies tripartite treaty which America has no intention of doing.³ General staff are well aware of this and in their paper on disarmament of October 5th⁴ they observe that 'it is highly improbable that France will consent to any (? appreciable) (? reduction) of her armed force[s] in near future until she is reassured as to Germany's intention and power of revenge.'

Whole paragraph is one worth reading for it is Monsieur Briand's speech without the rhetoric. Incidentally I may observe its authors took the view expressed by Monsieur Briand that to shorten term of military service was to diminish land armaments. They now seem to . . .⁵ that the shorter the term of military service, the more formidable is the army which it produces. For myself I cannot see that French army can do us any harm so long as our naval supremacy is unchallenged. It is not (? necessity) but fear, which induces French people to bear the burden: though perhaps the Quai d'Orsay may have less reputable motives.

However this may be, my point of view is that big thing we have to get out of this conference for ourselves and for the world is diminution of capital ships, and that to risk our chances of obtaining this by disputing about things which, under existing conditions we shall never get, is not the highest wisdom.

If we are fortunate enough to get American scheme through in its main outlines there remain difficult problems of cruisers, submarines and air craft. The latter has been referred to a sub-committee, and I will now only observe that it would pay us better to organise a sufficient air force to defend London than to drive France into wrecking naval scheme. Line your telegram⁶ ordered me to take yesterday has not helped matters, but I hope no great harm has been done.

As regards submarines, I shall try to get them abolished altogether but I fear France, Italy and smaller powers will combine against this policy in which case, it must fail. I shall then try to mitigate what I cannot cure. Committee of imperial defence telegram No. 38 on this subject⁷ puts me in some difficulty however. It asserts that French submarines, even of small

³ i.e. the treaties, signed on July 28, 1919, between Great Britain and France, and France and the U.S.A., providing for assistance to France in the event of unprovoked aggression by Germany. The latter was not ratified by the U.S. Government and the former thus became inoperative. For the text of these treaties, see *B.F.S.P.*, vol. 112, pp. 213-18.

⁴ Not traced in Foreign Office archives.

⁵ The text is here uncertain.

⁶ i.e. No. 439.

⁷ No. 443.

defensive type, could dominate the sea approaches from the south and make English seaborne trade impossible. If so, we must henceforward count ourselves among minor powers. We should live on sufferance. Solution suggested is that America, Japan, and France should agree to give up submarines altogether on the ground that none of them had aggressive designs or had anything to fear from others. In earlier portion of paper, however, committee of imperial defence view with serious apprehension existing superiority of French air forces which they greatly desire to see reduced. Position then appears to be as follows:

I am to try, if possible, to induce the French to agree to a very small battle fleet so as to leave us free to accept American proposals without modification. Having persuaded them to deprive themselves of their form of naval defence I am then to persuade them that they really require no submarines because a war between France and England is unthinkable. This task being successfully accomplished, I am then to ask them to reduce the number of their aircraft seeing that we cannot sleep securely in our beds lest in a war with France, London should be burnt to the ground! For a task so complex as this I fear a trained diplomatist is required. But I will do my best.

In conclusion, let me emphasize the fact that it was never possible for this conference to do more than promote two objects: settlement of Far East and diminution of naval armaments.

Military disarmament on a large scale it could never accomplish, partly because interested states are not present, partly on account of French attitude. United States Government tacitly admitted this when all mention of land armament was omitted from Mr. Hughes' opening speech.

No. 449

Mr. Balfour (Washington Delegation) to Mr. Lloyd George¹

No. 4 [F 4563/2905/23]

WASHINGTON, November 24, 1921

Sir,

I am now in a position to report progress on the questions referred to in my despatch No. 1 of the 11th November² and its enclosures.

2. Shortly after my arrival at Washington, in my first conversation with Mr. Hughes (the Secretary of State), on the 10th [?11th] November, I took occasion to raise the question of the Anglo-Japanese Alliance, and, after explaining the policy of the British Empire in this matter, as set forth in the published Report of the recent Imperial Meetings (Cmd. 1474) and as explained by you in Parliament,³ I handed him a copy of the document

¹ A copy of this despatch was sent to the Foreign Office on Dec. 5.

² No. 415.

³ Mr. Lloyd George referred to the Anglo-Japanese Alliance in a speech of Aug. 18: see 146 *H.C. Deb.* 5 s., cols. 1704-6.

transmitted as enclosure 1 to my despatch No. 1.⁴ In doing so I was careful to explain that the document must be regarded as confidential, informal, and merely the expression of the course I myself favoured, since it had not been approved or even seen by the British Government. To meet a preliminary objection made by Mr. Hughes, I there and then altered the word 'treaty' throughout the document to 'arrangement'. At Mr. Hughes's request, I gave him permission to show the draft, in strict confidence, to his colleagues on the United States delegation, on the distinct understanding that he explained its precise status as described above. Since then I have not heard again from Mr. Hughes on the matter, though I learn from his colleagues that he has shown them my draft.

3. I was anxious, as a matter of good faith towards our ally, to inform the Japanese Delegation at the earliest possible moment of the line of policy I was adopting. At an early interview with Prince Tokugawa,⁵ therefore, I took occasion briefly to refer in general terms to the matter. As Prince Tokugawa's visit was only one of courtesy, however, he did not then pursue the matter.

4. Indeed, some days elapsed before I was afforded an opportunity to discuss the matter with the Japanese Delegation in any detail. This was mainly due to the unfortunate indisposition of Baron Shidehara,⁶ the member of the Japanese Delegation specially charged with political and diplomatic subjects. As I did not wish that any doubts should exist in the minds of the Japanese Delegates as to our attitude on this question, I authorised Sir Maurice Hankey to respond to the pressing requests of Mr. Saburi, an official attached to the Japanese Delegation, who had been Secretary-General to the Japanese Delegation at the Paris Peace Conference, for an interview. With my authority, Sir Maurice Hankey, in a purely informal conversation on the 18th November, explained to Mr. Saburi the general policy which I was disposed to follow. An account of this interview is attached in Enclosure I. Subsequently, Sir Maurice Hankey communicated to Mr. Saburi and Mr. Hanihara, the Vice-Minister of Foreign Affairs and Secretary-General to the Japanese Delegation (who has since been promoted to the position of a Delegate), copies of the published Report of the Imperial Meetings and of the Prime Minister's speech in the House of Commons on the 18th August.

5. As the immediate result of this preliminary and informal conversation, it was arranged that Baron Kato should call on me the same evening. In the event, however, Baron Kato evinced no disposition on that occasion to discuss the Anglo-Japanese Alliance, and our conversation was limited to an exchange of courtesies. It was subsequently explained that Baron Kato's attitude was due to the desire of the Japanese Delegation that Baron Shidehara should himself carry on these conversations.

⁴ See No. 415, n. 5. For Mr. Balfour's conversation with Mr. Hughes on Nov. 11, see No. 416.

⁵ President of the Japanese Chamber of Peers and a delegate to the Washington Conference.

⁶ Japanese Minister at Washington and a delegate to the Washington Conference.

6. Unfortunately, however, Baron Shidehara's recovery has been delayed. On the evening of the 23rd November, therefore, Baron Kato, accompanied by Mr. Hanihara, paid me a second visit.⁷ I was accompanied by Sir Maurice Hankey and Mr. Lampson. Baron Kato began by explaining that what the Japanese Government would most desire would be the renewal of the Anglo-Japanese Alliance; that they recognised, from a study of the British and American press, that circumstances were not favourable to this; and that some other arrangement would have to be considered; but that they wished to maintain the same close and cordial relations between the two countries as had existed for so long. He ended by asking what was our policy. After recalling the circumstances in which the Alliance had been formed, and alluding to its loyal observance by both parties, and to the advantages which we had both derived from it, I stated frankly that the collapse of Russia and the disappearance of Germany from the Pacific had altered the conditions, to meet which the Alliance had been formed. I pointed out, however, that no one could venture to say that these conditions would never recur, and my own view, therefore, was that we should retain the power, within the terms of a tripartite arrangement, to renew the Alliance if and when circumstances should demand, subject, in the event of such renewal, to full communication of its terms to the United States of America, and to the provisions of article 18 of the Covenant of the League of Nations. After setting forth in general terms the policy I myself favoured, and after explaining, as I had already explained to Mr. Hughes, that it was personal, confidential, and had not been approved by the British Government, I handed to Baron Kato the text of my proposal (Enclosure II).⁸ I also authorised Baron Kato to transmit it to his Government, on condition that he fully explained the confidential and informal character of the draft.

7. Subsequently we touched briefly on the question as to whether other Powers interested in China and the Pacific, such as France, Holland, Portugal, as well as Italy and Belgium, which have no territorial interests in these regions, might wish to adhere. I pointed out that paragraph 3 of the proposals of the Chinese Delegation (attached in Enclosure III)⁹ provided for an opportunity being given to China to participate in any such agreement. Since, however, the Chinese proposal has not yet been discussed, and we have no information as to the attitude of the United States Delegation towards this question, we did not pursue the matter.

8. Baron Kato thanked me warmly for this interview, and, so far as I was able to judge, was well satisfied with the result. His colleague, Prince Tokugawa, who spoke to Sir Maurice Hankey later in the evening, did not conceal his satisfaction.

9. In the meanwhile, the Committee of the Conference on Far Eastern and Pacific questions has made some progress in regard to the question of China, and has formulated certain principles, which have been communicated

⁷ Mr. Balfour transmitted to Lord Curzon a brief account of this interview in his telegram No. 50 of Nov. 23, not printed.

⁸ Not printed. See No. 415, n. 5.

⁹ Not printed. For the Chinese delegation's proposals, see *C.L.A.*, pp. 866-9.

by telegram, and a copy of which is attached for convenience of reference (Enclosure IV).¹⁰ It is true that these principles have appeared before in various treaties and agreements. It is, however, the first occasion on which they have been adopted jointly by so large a group of Powers. Henceforward these Powers will be collectively responsible for preventing their violation. Further, the principles should prove a useful guide to which reference can be made when examining the various questions of detail connected with China, which come before the Conference. It will be observed that the principles, so far as they go, are in harmony with the preamble to the draft agreement forwarded as enclosure 2 to my despatch No. 1.¹¹

10. After the adoption of these principles, the Committee began a discussion of detailed questions relating to China. The question of the raising of the Customs Tariff, and generally of the revenue of China, has been referred to a Commission of the Conference, on which the British Empire is represented by Sir Robert Borden.¹²

11. The question of Shantung has not yet come before the conference or the Committee on Pacific and Far Eastern questions, and I am informed that both the Chinese and Japanese Delegations are willing that an attempt should be made to settle it outside the Conference, a course which I remain of opinion is the best from every point of view.

I am, &c.

A. J. BALFOUR

¹⁰ Not printed. These four principles, known as the Root Resolution (see *C.L.A.*, pp. 900-1) were communicated in Mr. Balfour's telegram No. 47 of Nov. 21, not printed.

¹¹ No. 415, enclosure 2.

¹² British Empire delegate for the Dominion of Canada to the Washington Conference.

ENCLOSURE I IN NO. 449

Sir M. Hankey to Mr. Balfour

Secret

November 18, 1921

Mr. Balfour,

Mr. Saburi, the Counsellor of the Japanese Embassy, who was Secretary-General of the Japanese Delegation in Paris, and whom I came to know as a most discreet and trustworthy gentleman, called on me this morning. He began by saying that his remarks were entirely of an intimate and non-committal character. He then proceeded to say that the Japanese Ambassador had asked him to make the following statement to me:

First, that Japan desired nothing so much as the renewal of the Anglo-Japanese Alliance.

Second, that she recognised that circumstances had changed, and that if we desired to extend the principles of the Alliance to cover a Tripartite Agreement, Japan would cordially welcome it.

Third, that whatever agreement might supersede the Alliance, Japan desired to remain in the same position of intimate friendship with us as formerly.

In reply, I began by saying that anything I had to say was equally informal and non-committal.

In accordance with the general instructions you gave me this morning, I then went on to say that, so far as my information went, the British Government had regarded the Alliance as an historic fact of great importance, and attached value to the loyalty with which it had been observed on both sides. If Japan had obtained benefit from the Alliance at the time of the Russo-Japanese war, we, in our turn, had benefited in the recent war. Undoubtedly, however, the political circumstances in which the Alliance had been formed had changed. We were not only a country governed by a Parliamentary system, but we belonged to the British Empire, which was a group of States, each of which was governed by a Parliamentary system. It was difficult to resist in Parliament the criticism of the Alliance that the historical basis had changed. Russia had for the time being disappeared, as had Germany. It was impossible, however, to say that the original circumstances, or something corresponding thereto, would never be recreated. Who, for example, would venture to predict that in the course of time Russia would not reappear in some form as a Pacific Power, or conceivably even Germany? While, therefore, as had been announced in the House of Commons,¹³ the time seemed to have come for the substitution of a Tripartite Agreement, it seemed worthy of consideration whether within that Agreement it might be possible to find some formula which would retain the power of reconstituting the Alliance in case the old circumstances should recur. I said that I thought that the Japanese Ambassador's statement that a tripartite arrangement would be agreeable would be very welcome to you, and I said I had not the smallest doubt as to your desire that in any future arrangement our relations with Japan should be as cordial and intimate as in the past.

My remarks seemed very satisfactory to Mr. Saburi. I said that, of course, we had to reckon with the Americans, and one did not know yet what attitude they would take up. All our experts had told me, however, that it was impossible for America even to discuss, much less to sign, any treaty, and that some other form of instrument would have to be found before any understanding was reached. He said that, as Counsellor of the Embassy, he was, of course, very familiar with this, and he did not seem to think that this matter presented any difficulties.

We then went on to discuss procedure. He said that the Japanese Ambassador was still confined to his room, and to-day had a slight feverish attack, but he anticipated that he would be better to-morrow. We both thought that the next step was for you to meet the Japanese Ambassador. He thought this would be impossible to-day, but might be practicable to-morrow. If possible, the Japanese Ambassador will arrange to call on you, but I said I thought you would be quite willing to call on him if his doctor did not want him to go out.

We then had some discussion about other aspects of the Conference. Mr. Saburi said that if Japan, the British Empire and the United States of

¹³ See n. 3 above.

America could really get an understanding for a tripartite arrangement, together with a scheme of naval limitation of armament, he was convinced the peace of the Pacific was absolutely assured. I pointed out that there were other questions at issue. He said that the question of Yap was settled except for two quite minor points which concerned Great Britain and France, and that these had been reserved until this Conference, before making the agreement final. He did not specify what they were, but I said that I was sure we would be prepared to consider them at the earliest possible moment.

I then asked him how the Shantung negotiations were proceeding, and he said the Japanese Delegation had every hope of settling. They were willing to go a very long way indeed in the way of concessions, and if China would not be altogether too hopelessly intransigent there should be no difficulty about agreement.

I then made a purely personal suggestion, on which I said explicitly I was speaking only for myself and without any authority from anyone, that if these negotiations got stuck possibly intermediaries might be useful. In Great Britain, if two parties had a quarrel which they could not settle, they each instructed a solicitor whom they trusted, and the legal gentlemen were often able to talk it over and find a settlement. I wondered whether this method might not be adopted, using friendly Powers as solicitors, although I hoped they would be able to settle direct with China. He was particularly taken with the idea of solicitors, and kept repeating again and again, 'I like your idea of employing solicitors'.

On the general question of China, Mr. Saburi said that the Japanese Delegates had every intention of taking up a most broad-minded attitude. He then said he would say something which he would repeat to no one else, and that was that the officials in the State Department here are very violently pro-Chinese, which makes matters very difficult. So far, however, the Japanese Delegation were entirely satisfied with the breadth of view displayed by Mr. Hughes, and they felt great confidence in him not to be unduly biassed by his officials.

Towards the end of the conversation Mr. Saburi raised the question of the position of China towards the Tripartite Agreement. He himself was inclined to think that in her present state of weakness it would hardly be useful for China to become a party, and he considered the question one of great difficulty.

I then asked what would happen if France wanted to come in? In this morning's press I observed that the French Colonial Minister was reported as having spoken rather largely of France's interests in the Pacific, not only in Indo-China, but also in the islands such as Tahiti and New Caledonia. If France were admitted to the arrangement, on what logical basis could Holland be excluded—and, he added, 'and even Portugal'. He was very much opposed to any extension of the arrangement, but, without committing himself, he seemed to think it might be possible to devise some formula by which other Powers took cognisance of a tripartite arrangement, whether by exchange of notes or otherwise.

I might mention here a curious thing about the Japanese Delegation which he told me yesterday. It has no 'Head', the three Delegates being equal. Broadly, however, the sub-division of duties is that the Japanese Ambassador takes political questions, Admiral Kato (Minister of Marine) takes limitation of armaments questions, while Prince Tokugawa is without any specific duties. Although he did not say so, I somehow got the impression, more from his manner than from what he said, that the latter is more of a figure-head.

M. P. A. HANKEY

No. 450

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 26, 8.45 a.m.)*

No. 62 Telegraphic [F 4350/132/10]

Most secret

WASHINGTON, November 25, 1921

Shantung.

Secretary of State and I together arranged to see first Admiral Kato, and then Chinese minister, in order to explain to each of them that while Shantung question was evidently one within the competence of the conference, we both felt strongly that the best chance of reaching solution lay in the discussion of matter between Japanese and Chinese delegations outside the conference. We were prepared to use our personal good offices in any way towards this object.

We assured Chinese minister, who raised the point, that we should regard it as entirely proper that any settlement which might be reached in this way should be communicated to and duly noted by conference.

In transmitting the above information to American minister, Peking, Secretary of State has instructed him to impress on Chinese Minister for Foreign Affairs the strong conviction entertained by Mr. Hughes and by myself that the method suggested offers by far the best prospect of reaching a settlement.

I should be grateful if you would instruct His Majesty's minister at Peking to join in making these representations.¹

Repeated to Peking for information.

¹ Lord Curzon did so in his telegram No. 357 of Nov. 28, not printed.

*Note of a conversation between Mr. Balfour and Senator Lodge and Mr. Root¹
on November 26, 1921²*

[F 4617/2905/23]

Senator Lodge and Mr. Root called on Mr. Balfour by appointment at 5 p.m. on November 26th and stayed until 7.20 p.m. The conversation was of a very frank and intimate character throughout. The most important question discussed was the Anglo-Japanese Alliance and the proposed Tripartite arrangement to supersede it.

It will be recalled that earlier in the afternoon the Japanese Delegation had communicated to Mr. Balfour a fresh draft on this subject drawn up by Baron Shidehara and that a version of this, amended by Mr. Balfour, had subsequently been handed by the Japanese Delegation to Mr. Hughes, the Secretary of State, who had undertaken to examine it.³

Mr. Balfour handed a copy of this latest draft to Senator Lodge and Mr. Root. They expressed themselves as most favourably impressed with this draft, which they seemed to think would meet the case. They had prepared a draft of their own which they showed to Mr. Balfour, but it was obvious that they preferred the Japanese draft.

They explained that the principal difficulty in regard to this tripartite arrangement was in regard to Shantung. It was essential that an agreement should first be reached on this question. They reminded Mr. Balfour that Shantung had been to a great extent the stumbling-block over which America had fallen in adhering to the League of Nations. What they had specially objected to in regard to the League of Nations was that, under Article 10 of the Covenant, the American people had believed that they would be compelled to guarantee to perpetuate the Articles of the Treaty of Versailles relating to the position of the Japanese in Shantung. As they believed this to be iniquitous and indefensible, they would not have the Covenant. Fortunately, as Mr. Balfour reminded Senator Lodge and Mr. Root, the question of Shantung is now in a favourable state. After the meeting on Friday morning,⁴ Mr. Hughes and Mr. Balfour had seen separately the heads of the Japanese and Chinese Delegations, and had secured their assent to the question being discussed in the first instance outside, and only brought before the Conference in order to enable it to take note of any agreement which may be reached.⁵ A telegram has been sent to Peking asking the Chinese Government to approve of this arrangement. It would seem, however, that before advantage can be taken of the satisfactory turn which

¹ Mr. Elihu Root, a member of the U.S. delegation to the Washington Conference and former U.S. Secretary of State.

² A copy of this note, based on information communicated verbally by Mr. Balfour, was transmitted to the Foreign Office under cover of Mr. Sperling's despatch No. 35 of Dec. 2 (not printed), received Dec. 13.

³ Cf. *F.R.U.S.* 1922, vol. i, pp. 3-4.

⁴ Nov. 25.

⁵ See No. 450.

events have taken in regard to the Anglo-Japanese Alliance the question of Shantung must be cleared up.

A copy of the document as handed to Senator Lodge and Mr. Root is attached as an enclosure to this note.⁶

There was also a good deal of conversation in regard to China, and Mr. Root and Mr. Balfour did not in the least conceal from one another their knowledge as to the present chaotic state of that country. In fact, Mr. Root frankly expressed the opinion that the concessions which the Conference seems likely to make to China in regard to such matters as surrender of Post Offices, Extra-Territoriality, and possibly Leased Territory, should in some way be linked up with arrangements for a proper rehabilitation of the Chinese administration.

There was some discussion as to the causes of the unrest in China. There cropped up a suggestion that perhaps it was due partly to the great concessions which the United States Government has lately made to the natives of the Philippine Islands. The American Delegates, however, seemed to think that it was more closely connected with the unrest in the Dutch East Indies and a letter was read from some person in the employment of the Hong-Kong and Shanghai Bank to bear out this belief.

Senator Lodge and Mr. Root showed themselves very anxious indeed in regard to the Japanese desire to retain the capital ship named the 'Mutsu'. This question arises directly in the examination which the naval experts of Great Britain, the United States of America and Japan are making in regard to the Japanese claim that their present strength in capital ships is 70 per cent. and not 60 per cent. of the American strength.

There was some discussion as to whether the arrangement should be tripartite or should be extended to other Powers, and Senator Lodge and Mr. Hughes [? Root] seemed to take the view that it would be advantageous if France were brought into it and in this case they thought that it would probably be unavoidable to bring in other Powers.

Senator Lodge and Mr. Root agreed with Mr. Balfour as to the great importance of pushing on as rapidly as possible with the work of the Conference, which at the present time is in so favourable a state.

On the general question of the limitation of armaments, Mr. Root pointed out that it would be difficult for the French, having virtually barred the discussion of limitation of military armaments, to adopt an obstructive line.

The American Delegation are apparently no more enthusiastic than we are on the subject of the enquiry on the rules of land warfare.⁷

⁶ Not attached to filed copy. Cf. n. 3 above.

⁷ Cf. No. 447.

No. 452

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 55 Telegraphic [A 8763/18/45]

Very urgent. Personal and secret FOREIGN OFFICE, November 27, 1921, 2 a.m.
Following from Prime Minister:

Your telegrams Nos. 59 and 60.¹

We fully realise how great your difficulties are, and we all appreciate the skill and adroitness with which you are handling the situation, but in view of the gravity of the issues involved I feel certain you will agree we ought to persevere in laying our views before you.

The Committee of Imperial Defence have further considered the whole position in the light of your telegram and this reply represents their conclusions.

We have always realised that France cannot be expected to give way on every point, land, air, sea and under-sea. At present she is not giving way on any. Her alterations in army service have the following effects: they reduce her peace army with the colours but they greatly increase her total mobilisable strength as six new classes are brought into the mobilization scheme. It is true that the French units on mobilization would for the first few months of a war be less highly trained than at present, but taking the changes as a whole general staff opinion is that they increase not diminish the military strength of France for the kind of war she would have to fight against Germany. These changes therefore ought not to be paraded by France or accepted by us as a sacrifice to disarmament. On the contrary they are a sapient scheme of augmentation.

The enormous French armies which will be maintained under the new scheme must be considered in relation to the Polish and Czechoslovakian armies which are being trained and organized by French officers and are at this moment actually under the titular command of Marshal Foch. As long as this formidable military combination is maintained without promise of diminution the menace to European peace will continue and it will be idle to talk of disarmament. It is well that the American public should be made to understand the position and upon whom the responsibility rests for maintaining it. The great war was due to the arrogance bred by a sense of overwhelming military superiority and by the desire to destroy every incipient challenge to that supremacy. That situation is being repeated in Europe today and the consequences will inevitably be the same. It seems to us that a disarmament conference must therefore take serious note of this danger. We also feel strongly that the faked and disingenuous figures upon which Briand rests his claim for these huge and disturbing armies should be exposed. The figures in your possession showing extent of German disarmament proved how impotent Germany is in a military sense, and it would be well the American public should know the real facts, otherwise it might be believed there that France is in danger of a renewed German invasion. Again, we have repeatedly admitted the difficulties of limiting French aviation and we agree with you that counter-preparation by us may be the only remedy open. Surely however at a disarmament conference it is relevant to point out the extreme disparity at present existing between French and British air forces

¹ Nos. 447 and 448.

and to make this point tell in the general argument which it is the duty of the French representatives to meet.

Coming to the navy, we consider that the claim of France and consequently of Italy to build up to the standard of the 3rd naval power i.e. 60% raises serious possibilities for us. For instance an alliance between these two powers would place us in a great nominal inferiority, and secondly and more probably if the bulk of our fleet were engaged in the Far East with Japan we should be hopelessly inferior in home waters to either France or Italy singly. These aspects should certainly not be lost sight of in the presentation of our case. Nevertheless, we may admit among ourselves that we are not very uneasy about the French and Italian battlefleets. We think it very doubtful whether they would in fact build up to the limit assigned. In any case it would be a long and expensive business for them and perhaps the results might not be very efficient when achieved especially in the case of Italy. We think therefore that the claim of France and Italy for battlefleets equal to the Japanese 60% need not in the last resort be made a ground for preventing the agreement of Britain, United States and Japan so far as capital ships are concerned. It is right, however, to state that the Admiralty representatives do not wholly share this view though they would be prepared to go beyond the 33½% which we understand is Lord Beatty's figure. But surely if we made a great concession on this point it should be in return for the virtual abolition of the submarines or at least the prevention of new building of submarines of any kind. We think this issue should in the right way and when you judge opportune be deployed in the technical committee. However we must consider that the French will probably continue to assert both their claim to a 60% battlefleet and to the full United States allotment of submarines. If this were so and in the last resort we agree with you that the battleship agreement between the three leading naval powers should be courageously accepted. In such acceptance Great Britain would be running undoubted risks. She could go no further. She could agree to no limitation upon the smaller vessels, light cruisers, destroyers, etc. which would be vital with a deadly submarine menace so near her doors and generally to protect our food supplies from the submarine menace.

We have reason to know that the French are fully alive to the strategic advantage of their position in regard to the use of submarines against us and that they do not contemplate any limitation inhibiting submarines from attacking merchant ships. The latest report, on these points, of the British naval attaché in Paris will be forwarded to you by the next mail. There is no doubt that French submarines which could certainly be built within any possible definition of defensive submarines would have a high and possibly a full offensive value against us owing to their geographical proximity. Moreover, we draw great attention to the dangers of air attack upon merchant ships in the English Channel and its approaches.

We do not understand your argument that if French submarines of a small defensive type could dominate our sea approaches we should live on sufferance and henceforward count ourselves among the minor powers. Admiralty

have no doubt of their ability if given a free hand in minor construction to cope with any French submarine attack. But number of anti-submarine vessels which we should have to build to deal with a 90,000 ton flotilla of submarines would far exceed the limits of the American proposals in regard to small craft. Unless the submarine is abolished or virtually abolished, we cannot accept any limitation upon the types necessary to combat it and to protect trade.

No. 453

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 28, 8.30 a.m.)

No. 68 Telegraphic [F 4364/833/10]

WASHINGTON, November 27, 1921

Your telegram No. 47.¹

The more I consider question of Wei-Hai-Wei the more I am convinced that to cling to our treaty rights in any narrow spirit would be a profound mistake even from point of view of our material interests. Wei-Hai-Wei was originally acquired for strategic purposes. But neither (? nation) could be induced to use it for anything but a summer resort. You hint that Foreign Office and Colonial Office attach more value to it than I do. But you do not tell me in what that value consists. And when I remember that we have held it for nearly a quarter of a century, in every variety of circumstances; that in that period there have been a dozen Secretaries of State for the Colonies and Foreign Affairs and that none of them have ever suggested a plan for turning the place to account, I may doubt whether their successors will prove more ingenious than they. If it be replied that the unexpected may always happen, I respectfully point out that this is not the point of view adopted by the Cabinet when valuing French leased territory at Kwang-Chow-Wan. But though no one has yet succeeded in explaining why we should keep Wei-Hai-Wei, the reasons for returning it to China are easily stated. What follows on this subject is drafted by Sir J. Jordan and has my full support.

I agree that if mutual surrenders are to be evoked they should be aggregated as part of a definite concession to China and it is in this spirit that I wish to deal with Wei-Hai-Wei. It is understood that French are prepared to give up Kwang-Chow-Wan,² and there is a fair prospect of Japanese coming to terms about railway and other valuable rights which they possess in Shantung. In these circumstances it is morally (? certain) that Chinese will ask for the retrocession of Wei-Hai-Wei and will receive the sympathy and support of American and other delegations.

Surrender of Wei-Hai-Wei would call for an infinitely less sacrifice on our part than the evacuation of Kiaochow would entail upon Japan, which has spent millions of money on development work there, and in my opinion it would be impolitic in our own interests to insist on the retention of Wei-Hai-Wei.

¹ No. 446.

² See No. 425, n. 1.

We occupied Wei-Hai-Wei in 1898 with great reluctance and merely as a measure of self-defence against the aggressive policy of Germany and Russia. German and Russian menace has passed away and with the evacuation of Kiaochow by Japan and of Kwang-Chow-Wan by France we shall be in the invidious position of being the only one of the original aggressors to retain Chinese territory and that in a province on which not only the full force of Chinese public opinion has been concentrated but to which the eyes of the whole world have been turned by recent events.

To hand back territory to bankrupt China may, as you say, appear to be an act of pointless generosity, but it is in reality an act which will be warmly appreciated by Chinese people and it is to them and not to the government which can no longer claim their allegiance that we have, in the interests of our trade and general relations, to look for recognition.

Feeling here is that there can be no permanent peace in the Far East as long as China remains in her present disintegrated condition. State into which she has fallen is not thought to be entirely her own fault but to be due, in part at least, to the unfair treatment she has received at the hands of the powers in the past, and there seems to be a consensus of opinion which, I am glad to note, is shared by Japanese, that we should all do our best at the cost of mutual sacrifices to help her to put her house in order by dropping, as far as possible, spheres of influence and other restrictions upon her territorial and administrative integrity which have hampered her freedom of action and retarded her development in the past. The only return we can expect from China is the goodwill of Chinese people, which, as Japan has realised, is far more valuable to a trading nation than territorial expansion producing resentment and commercial boycotts.

It is not the first time that we have ceded back to China territory temporarily occupied for purposes of defence. At an early stage of Russian menace in the Far East, we occupied the islands of Port Hamilton for some time and in 1896 [1886] we entered into a formal agreement with China to evacuate them without incurring any loss of prestige.³

I would therefore earnestly request that the matter may be reconsidered and that I may be authorised, should the necessity arise, to agree to the cession of Wei-Hai-Wei as part of settlement which I have indicated above.

To these observations of Sir J. Jordan, I will only add that I am in entire accord with what is perhaps the underlying thought of the Cabinet, viz., that in restoring to China the sovereign rights which she has had to surrender, we should endeavour to secure in exchange improved methods of internal administration.

³ See Hertslet's *China Treaties*, vol. i, pp. 499-501.

No. 454

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received November 29, 8.30 a.m.)
No. 437 Telegraphic [F 4409/3510/10]

PEKING, November 28, 1921, 1 p.m.

Following received from Canton No. 71.
Macao.

Chinese have accepted principle of joint investigation of September incident¹ as a preliminary discussion of waters question.

¹ See No. 398, n. 2.

No. 455

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received November 29, 3 p.m.)
No. 436 Telegraphic [F 4374/2635/10]

PEKING, November 28, 1921, 1.35 p.m.

Your telegram No. 349.¹

I fear that present moment is inopportune for any action for following reasons.

1. Impression derived here from confused mass of press messages from Washington is that China's proposals suggest that her major demands regarding tariff autonomy and abolition of extra-territoriality are being seriously considered by conference. This together with Root resolution reported in Mr. Balfour's telegram No. 47² has agreeably surprised Chinese opinion and Mr. Koo is somewhat more of a hero than he was at the time of his performance before league of nations last spring.

2. Anti-British capital is already being made of Washington messages which report threat of Chinese delegation to leave the conference if British view of open door is supported by other Powers though view itself is so quoted as to be unintelligible.

If Minister for Foreign Affairs himself raises the question of British attitude at conference I propose to tell him of the effect produced by Mr. Koo's behaviour but any spontaneous complaint would do more harm than good.

Bulk of press messages from Washington are not friendly to us and Reuters' service leaves much to be desired. Press telegrams appear to be given priority over official telegrams which take three days on the way.³

Repeated to Washington No. 3.

¹ See No. 435, n. 4.

² See No. 449, n. 10.

³ In a minute dated Nov. 30 Mr. Newton, a member of the Far Eastern Department of the Foreign Office, wrote: '... we know that Messrs. Reuters' business in China is practically under the control of the Chinese Government and their press messages are no doubt

coloured in accordance with Chinese wishes. Nevertheless it may do no harm, and some good, if the attention of Messrs. Reuters in London could be pointedly drawn to the fact that their service between Washington and Peking at the present important time leaves much to be desired.'

In subsequent minutes Mr. Koppel, a First Secretary superintending the News Department, said he had spoken to Mr. Murray of Reuters in the sense desired, and Sir W. Tyrrell commented: 'This is not the first time we have had to complain of Reuters' Agency. It poses as a British concern, but is in receipt of subsidies from several foreign countries. We should probe this matter to the bottom. W. T. 1/12.' These minutes were seen by Sir E. Crowe, Permanent Under-Secretary of State for Foreign Affairs, and initialed by Lord Curzon.

No. 456

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 29, 10.15 a.m.)*

No. 73 Telegraphic [A 8863/18/45]

Secret

WASHINGTON, November 28, 1921

Naval questions likely to emerge from technical sub-committee almost immediately and to come to a head at any main conference. Therefore necessary to decide on general lines to be taken by British delegates.

Meanwhile have definitely ascertained following facts. America not prepared to yield to Japan's demand for larger ratio than 60% and, if to avoid (? rupture) 'Mutsu' had to be retained, America would require finish of two more 'Marylands' and agree to England building two new ships immediately. This would knock hole in ten years' holiday proposal of which American delegation still enamoured in theory, though conscious that it would work impossibly in practice involving England in commencement of 13 ships and America 9 in the two years 1932 and 1933. France has now privately informed America that she will accept ultimate strength of 5 capital ships to England's and America's 15 and Japan's 9. Italy merely insists on equality with France. America fully understands our anxiety for submarines and if capital ship question settled prepared to go long, if not whole way, to meet us by agreeing to limit drastically both number and individual tonnage of submarines confining them to small defensive type only. America has no objection to our pressing for total abolition but thinks it impracticable owing to objections of other powers. American attention at the moment concentrated on getting main capital ship issue settled with Japan; that accomplished, Mr. Hughes is sanguine that all other details of scheme¹ capable of speedy adjustment on lines agreeable to us.

In these circumstances propose to take the following general line when question comes before the conference. England having already signified approval of the four general principles specified in preamble of Mr. Hughes' scheme now accepts first eleven paragraphs of scheme provided that France and Italy are limited as above.

¹ The reference is to the scheme proposed by Mr. Hughes at the first Plenary Session of the Conference; see *C.L.A.*, pp. 78-91.

We are to press strongly however for total abolition of submarines and are prepared to scrap our entire submarine fleet if other Powers follow suit. If our plea despite overwhelming strength of the case (? be) rejected, make it plain that we cannot agree to restrict in any way (? numbers) . . .² light surface anti-submarine craft or arming merchant vessels for self protection. Net effect of this would be practically to confirm[? confine] limitation of naval armaments, apart from cruisers, to capital ships as originally contemplated and approved by C[ommittee of] I[mperial] D[efence] and Cabinet.

With regard to cruisers we propose maximum size of individual ships should be 10,000 tons and are prepared to accept 5, 5, 3 ratio for number of cruisers for fleet purposes provided our claim is admitted to a substantial surplus for the defence of the empire trade routes. Total number for all purposes tentatively suggested by the First Sea Lord 50 cruisers i.e. 6 less than now but do not propose to say this at present.

Question of 10 year holiday remains and presents exceptional difficulties. Americans admit mistake of launching the idea before realizing impracticability but whilst admitting necessity for armistice [*sic*], afraid to initiate withdrawal now owing to popular response of press and public. If strictly carried out would operate with special unfairness³ to England owing to special circumstances, ages of our existing ships, and our unique dependence for replacement of building on private firms . . .⁴ what would be in effect a 10 (? plus) 5 year holiday.

Have already explained (my telegram No. 29)⁵ other technical objections which only deepen on examination. Further we think it possible to make effective public appeal for modification by exposing absurd position 10 years hence when under scheme America, England and Japan would have to commence 27 capital ships between them in two years with vast preliminary expenditure on expanding staff, subsidized armament departments and immense disturbance to industrial conditions and peace works. Our first public statement to . . .⁶ and possible alternatives to be . . .⁷ in technical committee in order to arrive, if possible, at agreed solution for which America would accept joint responsibility. In our view alternative of small but steady scale of replacement applying to all five naval powers and not exceeding in our case say two ships in three years would promote limitation of armaments by providing only enough work to justify existence of greatly reduced plants and avoid necessity for maintaining present large plants for long periods of idleness by means of a large state subsidy. If, in addition, paragraph 29 of scheme approved,⁸ safeguards would be essential to prevent

² The text was here uncertain. A pencil note on the filed copy read: 'or character of our'.

³ The words 'and injury' were here inserted in pencil on the filed copy.

⁴ The text was here uncertain. A note in pencil on the filed copy read: 'which could not survive'.

⁵ No. 426.

⁶ The text is here uncertain.

⁷ The text was here uncertain. A note in pencil on the filed copy read: 'considered'.

⁸ This paragraph read: 'No capital ship tonnage nor auxiliary combatant craft tonnage for foreign account shall be constructed within the jurisdiction of any one of the Powers party to this agreement during the term of this agreement.'

mere transfer of business to non-signatory countries. Without some such limitation of plants there will always remain potential and latent threat of spasmodic outbursts of building in moments of aberration or ambition on the part of powers possessing them. In short we prefer permanent holiday qualified only by minimum scale of replacements to American scheme of periodic vacations followed by orgies of war-ship construction. Believe this case sufficiently strong and obvious to satisfy world opinion but feel bound to notify Cabinet of proposed line of argument in view of strong expression of opinion in your telegram of November 21st.⁹

⁹ Amended in pencil on the filed copy to read '22nd': i.e. the reference is to No. 439.

No. 457

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received December 2, 8.30 a.m.)

No. 475 *Telegraphic*. [F 4446/3344/23]

TOKYO, November 29, 1921 [7.50 p.m.]

It is probable that Prince Kanin¹ and Count Chinda² will act as advisers to Regent³ though no official announcement to this effect has appeared. A number of new appointments have been made at court which indicates that the Regent will be surrounded by moderate men of liberal views and not chauvinistic, though some of them (? may) believe that Japan has a patriotic [special]⁴ mission in China.

Regent is confronted by considerable difficulties in both domestic and foreign politics. The Seiyukai party has a large majority in Diet and a large following in the country districts because it supports their [the farmers']⁴ interests, but it has become unpopular in towns and among the educated classes, chiefly on account of its corruption. The Ministers are . . .⁵ and have not full confidence in the new Prime Minister who is regarded as able and original but unstable. It is thought that one of his ideals is a close commercial alliance with China. Count Uchida's position is shaken⁶ and it is said that the real power is at present in the hands of the diplomatic advisory council rather than in Ministry of Foreign Affairs. [There is a dearth of capable men.]⁷ The prominent members of Seiyukai have mostly been found wanting. Those of the Opposition are little known except Kato,⁸ who is not likely to come into favour at present. Power of military party is diminishing. Prince

¹ H.I.H. Field-Marshal Prince Kanin was a member of the Japanese Imperial family.

² Member of the Japanese Privy Council and Grand Chamberlain; Japanese Ambassador in London 1916-20.

³ The Japanese Crown Prince had been appointed Regent on Nov. 25 in consequence of the Emperor's declining health.

⁴ Wording as sent from Tokyo.

⁵ The text is here uncertain. The text as sent read 'weary'.

⁶ Count Uchida was Minister for Foreign Affairs.

⁷ This additional sentence was in the text as sent from Tokyo.

⁸ Viscount Kato, leader of the Opposition in the Japanese parliament.

Yamagata's health is failing⁹ and influence of Satsuma clan, who are on the whole less militaristic than the (? Choshu), seems in the ascendant. The whole nation is dissatisfied with long duration and small result[s]⁴ of Siberian expedition and educated classes and business men feel that financial position is unsound, if half the annual public expenditure continues to be devoted to naval and military purposes.

Although it is feared that closing of dockyards and [Government]⁴ factories might make unemployment problem serious, yet there is on the whole a strong feeling in favour of disarmament and the conviction is spreading that should Washington Conference fail, Japan could not continue to compete in armaments. But objection to armaments is purely financial. Japanese have not felt the late war and consequently there is little horror of war as such.

Should the government make any great concessions in Asiatic politics, especially as regards Manchuria, the leased territory or Sakhalin, public might feel that policy of last fifteen years has simply resulted in heavy expenditure with no practical return and discredit . . .¹⁰ It seems probable therefore that new régime will instruct delegates to meet views of United States respecting armaments so far as possible, but be very firm about Asiatic question. I should think, however, that they might be ready to make concessions about Shantung Railway.

⁹ Former Prime Minister and member of the House of Peers.

¹⁰ The text received was here uncertain. The text as sent read: 'rather than glory.'

No. 458

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received November 30, 8.30 a.m.)

No. 77 Telegraphic [F 4413/2905/23]

WASHINGTON, November 29, 1921

My telegrams No. 69 and 70.¹

Mr. Hughes generally approves of Baron Shidehara's draft arrangement to supersede Anglo-Japanese agreement,² but proposes two modifications.

First, that scheme should apply only to island possessions in the Pacific and not to China which will be dealt with in a separate instrument.

Secondly, that arrangement shall apply to powers limited to naval armaments³ possessing islands in the Pacific, namely, America, British Empire, France and Japan. Holland is not included, on the ground that she is not great naval power. Italy is excluded because she has no islands in the Pacific.

¹ These two telegrams of Nov. 28 are not printed.

² See No. 451. Mr. Hughes expressed his approval in a long conversation with Mr. Balfour on the afternoon of Nov. 28. Some account of this was given in Mr. Balfour's despatch No. 5 of Nov. 29 to Mr. Lloyd George, not printed.

³ This passage appears to be corrupt. The corresponding passage in Mr. Balfour's despatch No. 5 of Nov. 29 (see n. 2 above) read: 'the arrangement might very properly be confined to the Powers mainly concerned with the limitation of naval armaments'.

Following advantages are claimed for this proposal. First, Mr. Hughes says that addition of France will enable him to get arrangement accepted in the Senate and the country generally. Secondly, France will be pleased.⁴ Thirdly, it surmounts Japanese difficulty that extension of arrangement to a large number of powers will so dilute it as to render it unsatisfactory substitution for Anglo-Japanese alliance.

At Mr. Hughes' request, I have communicated his suggestions to Japanese delegation and await their remarks. Mr. Hughes also expressed satisfaction with my draft arrangement in regard to China, forming enclosure 2 to my despatch No. 1,⁵ which he considers good basis for discussion provided that four principles already adopted by conference⁶ are incorporated therein. I have given a copy of China draft to Japanese delegation.

⁴ Sir William Tyrrell commented: 'The significance of Mr. Hughes' statement as regards France should not be lost sight of. The unpopularity of France is of recent growth and confined to the select few who are well informed: our unpopularity is almost traditional and universal. If we are ever to succeed in securing American cooperation in the settlement of Europe, we are more likely to do so by England and France approaching Washington united, but the French make such a policy very difficult. W.T. 1/12'

This minute was seen by Sir E. Crowe and initialed by Lord Curzon.

⁵ i.e. enclosure 2 in No. 415.

⁶ See No. 449, n. 10.

No. 459

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 1, 8.30 a.m.)*

No. 80 Telegraphic [F 4436/132/10]

WASHINGTON, November 30, 1921

My telegram No. 62.¹

Matters are developing promisingly in the matter of Shantung. Opposing parties have now agreed to meet on December 1st in the presence of Mr. Hughes and myself, when we shall impress upon them the desirability of reaching prompt settlement, in the interests of, not only themselves, but of the whole stability of the Far East.² We shall then withdraw and leave the parties immediately interested to thrash out the question, but in order to oil wheels in case of friction and to keep us well informed of the progress of events, it has been arranged that two members of this delegation shall be present (Sir J. Jordan and Mr. Lampson) and two officials of the State Department (Mr. Macmurray and Mr. Bell).

Atmosphere is so far thoroughly satisfactory and it is not too much to hope that by the use of tact and forbearance on both sides something tangible may be accomplished. If so, it will without doubt be largely due to action by this delegation outside conference.

¹ No. 450.

² The minutes prepared by the Japanese delegation of the resulting *Conversations between the Chinese and Japanese representatives in regard to the Shantung Question* were published in Washington in 1922.

No. 460

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 1, 8.30 a.m.)

No. 83 Telegraphic [A 8900/18/45]

WASHINGTON, November 30, 1921

Technical naval experts of America, British Empire and Japan have reported to their respective delegations that agreement has not been reached in regard to proportion of capital ships to be assigned to Japan. Japanese expert refuses to accept 60% ratio for the following reasons:—

1. He does not agree with figures put forward by United States of existing strength since he maintains that United States cannot claim as existing strength their 15 uncompleted capital ships.

2. He does not consider that 5-5-3 ratio meets national needs of Japan. He adheres to 70% ratio.

On being pressed to explain his views Admiral Chatfield¹ in accordance with authority given by British Empire delegation supported American proposals of 5-5-3 as reasonable ratio and the best that could be (? fixed) on. He considered² it safeguarded national needs of Japan and of United States, former's interest being fully safeguarded by their strong . . .³ position. He pointed out however that basis taken by United States in support of their ratio, namely existing strength, was controversial, as all calculations of that nature must be; and that question could only be properly approached from much broader standpoint, and that it was from broad standpoint we had accepted it without questioning method by which it had been arrived at.

Question will now be discussed by heads of the three delegations.

¹ Rear-Admiral Sir E. Chatfield, Assistant Chief of Naval Staff in H.M. Admiralty and a member of the Naval Section of the British Empire delegation to the Washington Conference.

² The word 'that' was here inserted in pencil on the filed copy.

³ The text was here uncertain. The word 'strategic' was inserted in pencil on the filed copy.

No. 461

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 64 Telegraphic [F 4364/833/10]

FOREIGN OFFICE, December 1, 1921, 7 p.m.

Your telegram No. 68.¹

Committee of Imperial Defence, at which all departments concerned were represented, considered question of Wei-Hai-Wei this morning in light of your remarks, the weight of which was fully recognised. Value of Wei-Hai-Wei, which you ask us to define, has no doubt been affected by restrictions placed upon it from start, viz., promises not to construct railways into interior or to collect customs duties, by refusal to spend money upon it and by uncertainty

¹ No. 453.

as to our future intentions; but its utility as a sanatorium and place of exercise, and its potential value in certain contingencies have been asserted in reports summarised in Foreign Office memorandum in your possession,² and would appear to have been recognised at meeting of Imperial Defence Committee presided over by yourself on October 14th,³ which recorded opinion that if the question of leased territories was raised at Washington it would be desirable to press for the retention of the *status quo*. The naval opinion given this morning is that Wei-Hai-Wei is a convenience to us in peace and might, owing to its geographical position, be a positive advantage in time of war or disturbance in China provided always that we were at peace with Japan. If we were at war with latter, it might, on the other hand, be a source of embarrassment and even of danger, compelling evacuation. Both Admiralty and War Office would like us to keep the place, and would view its surrender with reluctance but neither considers that it possesses vital strategic importance, if for other reasons it is found desirable or necessary to give it up. These views appear to throw decision into the sphere of politics, and suggest the careful consideration of political or administrative advantages to be gained in return for a possible surrender. We are, as you know, warmly in favour of abandonment of spheres of interest in China, and are quite agreeable to principle of mutual concessions. We observe that you have not noticed our argument about difference in conditions of Wei-Hai-Wei and the proposed French and Japanese concessions: and we think that if you advocate retrocession, as to which we must confide in your judgment, an attempt should be made to establish some equality between the conditions, and in the case of Japan, for instance, to press not merely for retirement from Kiaochow but for surrender of special advantages which she enjoys in Shantung. As regards China, we should receive definite guarantees that she will put her house in order. We presume that question will not be raised, save at instance of China. Have you and your colleagues considered desirability of making mutual surrender, if decided upon, contingent upon fulfilment by China of conditions which you may lay down and announcing that retrocession will take effect as soon as she has given proof of her willingness and capacity to fulfil her promises?⁴

² This memorandum of March 7, 1921, is not printed. Cf. No. 425, n. 3, and No. 446, n. 4.

³ According to a minute of Oct. 18 by Sir E. Crowe this meeting had taken place on Thursday, Oct. 13. In his minute Sir E. Crowe recorded that there 'seemed to be a general consensus that the idea of abandoning the leased territories was chimerical, although the proceedings of the committee were so diffuse and vague that I carried away no definite impression of its conclusion'.

⁴ The minutes of the tenth meeting of the British Empire delegation held at the British Embassy on Dec. 2 recorded a discussion of the foregoing telegram as follows:

'Mr. Balfour interpreted the telegram to mean that the question of rendition of Wei-Hai-Wei was to be left to his discretion. He recognised that theoretically it seemed appropriate that retrocession should not be agreed to without political and administrative advantages being secured in return, but, for himself, he did not see how to secure such concessions. China had nothing to give beyond promises.

'Sir John Salmond [representative of New Zealand] observed that what was probably

meant was that we should not agree to give up Wei-Hai-Wei unless other Powers enjoying special privileges (for example, Japan in Shantung) also surrendered these.

'After a further brief discussion it was agreed—

- (a) That Wei-Hai-Wei should be used as a political lever satisfactorily to regulate the attitude of the Japanese and the Chinese in regard to questions at issue between them.
- (b) That when the question of leased territories is raised on the following or any subsequent day Mr. Balfour's statement should be regulated by this consideration: the actual form of his statement being determined by the instinct of the moment.'

No. 462

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 363 Telegraphic [F 4322/61/10]**

FOREIGN OFFICE, *December 1, 1921, 9 p.m.*

My telegram No. 352.¹

Chinese Chargé d'Affaires has submitted proposal, stated to have been suggested by Japanese Minister at Peking, that question of tariff revision might be postponed for further period of two years, and that meanwhile an addition of 25 per cent. might be collected at once in order to relieve financial situation. No suggestion is made of any special form of control. It is pointed out that present duties on basis of existing values amount only to 3.7 per cent. *ad valorem*, and, with proposed addition, would only amount to 4.6 per cent. instead of the 5 per cent. which duties should yield.

Reply is being returned that, as general question of China's finances is now under consideration at Washington, where the views and interests of China will be represented by the Chinese delegates, His Majesty's Government would not feel justified in taking any steps which might anticipate or even run counter to decisions that may be reached at Washington.

(Repeated to Washington delegation, No. 65.)

¹ No. 441.

No. 463

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 66 Telegraphic [A 8863/18/45]

Very urgent. Personal and secret

FOREIGN OFFICE, *December 1, 1921, 11.59 p.m.*

Following from Prime Minister:

Committee of Imperial Defence further considered subject of your telegram No. 73,¹ this morning. First we have signified our agreement to the original American proposal of relative battleship strength and that is still

¹ No. 456.

our definite policy. But rather than lose the battleship agreement altogether through Japanese reluctance we should be willing to defer to American and Japanese wishes for the construction of the 'Mutzu', two additional 'Marylands', and two of the new 'Hoods' which are already in hand and start the ten years' naval holiday on that somewhat higher basis. You will realise that this involves us in serious expenditure which we had hoped to avoid. On the other hand there is no doubt that the resulting British fleet would be stronger relatively than on the original basis. Unemployment position on Clyde and Tyne would also be favourably affected. We therefore authorise you if there is no other way of securing agreement to accept the new proposal of America and Japan.

Secondly, Admiralty representatives are all naturally strong partisans of the intermediate and gradual replacement policy in accordance with views expressed by First Sea Lord. They have adduced many powerful arguments showing advantages of this course. Nevertheless we feel that the advantages of a ten years' absolute naval holiday in capital ships are so great for the cause of peace and disarmament throughout the world that we are prepared to face the technical objections and inconveniences inseparable from it. We think that Great Britain should stand firmly on this ground and not mar in any respect her moral position, and that if this grand project breaks down it should be on account of American or Japanese afterthoughts, and that we should to the end of the discussion adhere resolutely to our full and unqualified acceptance, offering no support to these technical objections.

Thirdly, much difficulty appears to be made out of the fact that in 1932 Great Britain will be entitled to replace fourteen ships and America nine, and that Great Britain would require replacements on account of the actual wearing out and deterioration of our existing ships. Much stress is laid on this deterioration by the Admiralty representatives. Nevertheless we feel that it is absurd to contemplate a sudden burst of construction on this scale. The natural corollary of the ten years' complete holiday would appear to be an agreed scheme for replacements in the four years immediately following. As an example of what we have in mind, Great Britain might replace by annual programmes of 4, 4, 4, 2 total 14, and America by programmes of 3, 3, 3 total 9, Japan conforming in due proportion. This would obviate difficulties of a sudden vast expansion of construction and would enable the necessary plant to be maintained in the interval at a cost not exceeding one million a year and possibly less. To replace the whole fourteen as fast as possible would require according to Admiralty calculations an expenditure of no less than six millions a year in keeping up plants. We hope therefore you will press not only for the absolute holiday but also for a carefully calculated programme of replacements, pointing out, no doubt, that we are to some extent sufferers by this change, because our ships are on the whole older, and will, in some cases, have to be kept in service beyond the limits of deterioration fixed. Without re-opening the vexed question of the permanence of the capital ship we cannot exclude from our minds the possibility that in ten years time the march of science in aviation, in submarines,

torpedoes, shells and explosives may render it impossible to construct an inexpugnable capital unit especially within the tonnage limit governing replacements.

Fourthly, we do not see how we can avoid prohibition of warship building for foreign countries, if all other parties agree. But you, no doubt, realise that the loss is almost wholly ours, as we had practical monopoly of warship building of foreign countries. The loss is not only heavy commercially but deprives us of refreshment of our shipbuilding plants and throws an added burden on the government to keep them up.

We think this is a very serious loss indeed and though prepared to face it if no other course is open we trust the sacrifice will be made to count at its full weight.

Fifthly, we approve your proposals about submarines; if we cannot secure total abolition of submarines we must have entire freedom in building anti-submarine craft.

Sixthly, we think your proposals about cruisers are reasonable, as respects numbers, but we hope a lesser limit than 10,000 tons may be agreed upon. Having regard to our requiring more numerous cruisers than other powers we lighten our burden by reducing their individual cost. Admiralty representatives do not concur in this, alleging 10,000 tonnage necessary for radius, but we invite you to discuss the point with your naval experts and let us have their views and reasons.

No. 464

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 2, 8.30 a.m.)

No. 88 Telegraphic [Confidential/General/363/21]

WASHINGTON, December 1, 1921

Personal. For Prime Minister and Lord Curzon.

I have received no reply to my telegram 68.¹

Owing to active part I have been compelled to play in bringing Chinese and Japanese Delegations together on this question I shall be placed in impossible position if at the appropriate stage I am unable to announce that British Government will withdraw from Wei-Hai-Wei which is situated in Shantung. I trust therefore that I may be given full discretion.

¹ No. 453. For Lord Curzon's reply, see No. 461.

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 2, 10.15 a.m.)

No. 89 Telegraphic [A 8939/18/45]

WASHINGTON, December 1, 1921

My telegram No. 83.¹

After consultation with Mr. Hughes, I saw Baron Kato this morning² with regard to failure of naval (? expert)s to reach agreement as to proportion of capital ships to be assigned to Japan.

Baron Kato made a very frank exposition of his difficulties. He practically ignored arguments of his technical experts and dealt with the question on broad lines. Reaction in Japan last year in favour of reduction of armaments had . . .³ him to accept American proposals in principle. When the question was examined in detail, however, Japanese government and parliament supported him in demanding 70 per cent. He admitted he had full powers but asked how he was to justify to his people a concession apparently forced upon him by United States government. His personal position did not trouble him but even though he were to resign, permanent sore would be left in Japan which would militate against effectiveness and (? permanency) of an agreement. Later he laid stress on the importance of retaining 'Mutsu'. I pointed out what disaster it would be to the world if this conference broke down over this difference and indicated that American people incensed against Japan, would outbuild her so that in five years time Japan's (? position) would be incomparably worse off than under 60 per cent proposal. Further, that Japan would lose advantages of highly promising negotiations in regard to the Pacific. All this Baron Kato conceded. He required more however to enable him to justify his position. He could satisfy Japanese opinion on the following condition.

America to agree to *status quo* in regard to fortification in the Pacific i.e. at Manila, Guam and Hawaii: Japan in return not to proceed with fortifications in Formosa, Pescadores and Oshima. With Baron Kato's permission I laid this proposal before Mr. Hughes this afternoon.⁴ Secretary of State did not conceal . . .⁵ (Baron Kato's) proposal would be unacceptable to his naval and military advisers and American public opinion which would not stand permanent fettering of American right to defend their territory. He feared it would be impossible to pass any treaty of this kind through the Senate. He then made the following tentative suggestion for surmounting the difficulty emphasising it was purely personal and must be

¹ No. 460.

² At 12.15 p.m. at the Shoreham Hotel, Washington. A note of the conversation (not printed) was recorded by Sir M. Hankey.

³ The text was here uncertain. The word 'led' was inserted in pencil on the filed copy.

⁴ In a meeting at 3.30 p.m. at the Pan-American Building, Washington. For Sir M. Hankey's note of this conversation, see *F.R.U.S. 1922*, vol. i, pp. 74-75.

⁵ The text was here uncertain. The word 'that' was inserted in pencil on the filed copy.

first discussed with the President and his colleagues. Briefly, his proposal is that in the event of America or Japan wishing to fortify islands, notice should be given to the opposite party, which should then have the right to cancel the whole naval agreement. I pointed out that this scheme would prevent us from feeling any security as to permanency of naval holiday since either America or Japan could break it at will. Mr. Hughes replied that though this was so in theory, in practice it would never occur.

We are carefully examining the effect of this proposal on our own interests.

Mr. Hughes undertook to consult the president and his colleagues in regard to these proposals and in the meantime I am to make no mention of them to Baron Kato.

Mr. Hughes strongly opposed retention of 'Mutsu'.

No. 466

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 2, 10.15 a.m.)

No. 90 Telegraphic [A 8929/18/45]

WASHINGTON, December 1, 1921

Limitation of aerial armament is now before a sub-committee of conference and British Empire delegation are carefully considering how best to forward views of cabinet. As the first to bring this question to the notice of committee of imperial defence and cabinet, I fully share the anxiety of my colleagues and their desire to come to some arrangement which will prevent a competition with France in aerial armaments. My technical advisers, however, are unable to suggest any means for effecting this. I said at first sight most obvious step appears to be some mutual limitation of numbers of cadres or aircraft. My advisers consider, however, that this would not only be ineffective but disadvantageous to us for following reasons:

Firstly, because France is always likely to possess superiority over Great Britain in civil aviation partly owing to better meteorological conditions and partly to greater area of the country which makes travel by air better worth while than in Great Britain where owing to good railway communication comparatively little time is saved by aerial travel.

Secondly, because in France instruction of military service enables very large numbers of mechanics to be given that intense training in management of internal combustion engines which is essential in the making of an air mechanic. This training can be carried out on ordinary automobile engines. In the absence of thriving civil aviation the only way in which we can provide for sufficient airmen and mechanics is by an adequate air service supplemented by some organisation for training of air mechanics which involves large numbers of cadres and machines. In short, if we agree to a mutual limitation of cadres we shall leave France free to organise (perhaps in secret) her resources in civil aviation and to train air mechanics which my advisers

state cannot be controlled while we deprive ourselves of the only effective antidote, namely, creation of a strong air force. All idea of surmounting these difficulties by an agreement for limiting the extent of the subsidies to civil aviation is scouted by my aerial adviser owing to ease with which subsidies can be concealed and natural advantages enjoyed by France in civil aviation. And there would remain the difficulty of mechanics.

Even if we are willing to run these risks, France, if asked to limit aviation, will urge many of these arguments as applicable to Germany and as reasons for avoiding limitation. To these arguments I can find no effective reply but would welcome suggestions.

Possibly the limitation of aerial armaments might be easier ten years hence when military aviation may have developed on lines different from civil aviation. For the moment, I have instructed Vice Marshall [*sic*] Higgins¹ to press sub-committee to compile all the facts as to comparative aerial strength of the different nations.

My naval advisers point out disadvantage that unless something is done aviation will be developing rapidly during proposed ten years' naval holiday while capital ship construction is stationary. This is an argument in support of our proposal to spread capital ship construction over ten years thereby rendering possible a progressive improvement in design to counter (? dangers) (? from) aerial or submarine attack.

¹ Head of the Air Section of the British Empire delegation.

No. 467

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 71 Telegraphic [F 4419/61/10]

FOREIGN OFFICE, *December 2, 1921, 10 p.m.*

Following for Llewellyn Smith from Chapman.¹

Your telegram No. 79.²

We have consulted Finlayson and Stewart of Manchester and they agree that attempt should be made to get preferential land rates abolished but certainly not worth while to concede a fractionally higher tariff to secure this. Japanese, through their widespread business connections and through railway control, would be able quite apart from advantage of preferential land rate to retain their hold on Manchurian trade and advantage given to them is practically confined to Manchuria. In the future through railway development goods coming over land frontiers might possibly penetrate to other parts of China but a great growth of such trade would be checked by haulage charges. On the other hand, with extensive railway development we should get advantage over Burmese frontier to set against Japanese advantage over

¹ Sir Sydney Chapman, Permanent Secretary to the Board of Trade.

² In this telegram of Nov. 29, relating to tariff revision, not printed, Sir S. Chapman had been asked to 'ascertain promptly and secretly if Manchester would accept agreement higher than 7½ per cent, if we can secure abolition of preference to land-borne trade'.

northern frontier, though admittedly early development in Burmese quarter is less likely than in the north. Most imported luxuries are for consumption of foreign residents, and no luxuries worth special treatment except those imported in substantial quantities. We regard it as undesirable to attempt to draw fine distinctions within large classes of goods. Accordingly we submit following limited list: wines, beer and spirits; manufactured tobacco (if equivalent excise is levied on local manufacture); road vehicles or at least motor cars; photographic and cinematographic apparatus and material; clocks and watches.³

³ In Foreign Office telegram No. 78 of Dec. 5 (not printed) Sir S. Chapman said that, on further consideration, the Board of Trade were 'of opinion that extension beyond drink and tobacco of list of luxuries subject to higher duty is inadvisable, as it would give rise both to complaints of unjustifiable discrimination and pressure to add to list, and would produce little revenue'.

No. 468

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 72 Telegraphic [F 4413/2905/23]

FOREIGN OFFICE, *December 2, 1921, 11 p.m.*

Your telegram No. 77.¹

It is not clear what is exactly meant by first modification proposed by Mr. Hughes.

Neither your draft Tripartite Agreement nor Baron Hayashi's draft contains any reference to China.²

By restricting the new Treaty to the Island possessions of the Pacific is it intended to exclude Australia and New Zealand?

¹ No. 458.

² For these drafts, see No. 415, n. 5, and No. 451, n. 3.

No. 469

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 2, 8.30 p.m.)
No. 91 Telegraphic [F 4447/61/10]

WASHINGTON, *December 2, 1921*

Present state of discussion on Chinese tariff is as follows:

China began by making extravagant proposals, including unconditional twelve and a half per cent. import tariff autonomy by successive stages at fixed dates.¹ Unnecessary to describe these proposals in detail as they may be regarded as beyond serious discussion and will probably not be pressed. Proposal which at present appears most likely to be generally accepted except

¹ For these proposals see W. W. Willoughby, *China at the Conference* (Baltimore, 1922), pp. 60-62.

by Japanese, who at present reserve their assent,² is immediate revision of import tariff rates up to effective seven and a half per cent. on condition that proceeds of increase, or a large proportion thereof, shall be effectively earmarked for permanently productive uses such as railway construction. It is also contemplated that limited number of luxuries, such as alcoholic liquors and tobacco, may be subjected to higher rates of duty. Charge for transit pass would remain two and a half per cent. Americans press strongly for abolition of existing preference to land-borne trade, but this is likely to be strongly resisted by Japanese. We shall however in any case insist that this preference shall not be increased in amount through increase of tariff-rate. All the above proposals are without prejudice to article 8 of (Mackay?) treaty,³ which however cannot be expected to take effect for some time.

I am repeating this telegram to Peking so that Associated British Chamber of Commerce at Shantung [Shanghai] may be consulted confidentially, and I understand that Indian Government are being informed direct by Indian representatives on British Empire delegation.⁴

Repeated to Peking for repetition to Tokyo.

² For the Japanese delegation's objections, see *ibid.*, pp. 64-65.

³ i.e. the Anglo-Chinese commercial treaty of Sept. 5, 1902, see *B.F.S.P.*, vol. 95, pp. 39-55. For Art. 8 cf. No. 519 below, § 1.

⁴ In Washington telegram No. 3 to Peking, repeated to the Foreign Office in an unnumbered telegram of Dec. 12 (not printed), Mr. Balfour asked Sir B. Alston for an immediate answer, since 'it would be unfortunate if a decision were arrived at without views of mercantile community in China receiving due consideration'. For Sir B. Alston's reply, see No. 496 below.

No. 470

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 4, 8.30 a.m.)

No. 93 Telegraphic [A 8952/18/45]

WASHINGTON, December 3, 1921

Yesterday evening I met Mr. Hughes and Baron Kato at State Department to discuss *impasse* reached by naval experts regarding Japanese proportion of capital ships. Sir M. Hankey was also present.¹

Baron Kato developed his case on lines summarized in my telegram No. 89² but at greater length and his proposals were more tentative in form. The only change he made was that in asking for *status quo* in regard to

¹ For Sir M. Hankey's record of this conversation, see *F.R.U.S. 1922*, vol. i, pp. 75-83. In his despatch No. 8 of Dec. 9 to Mr. Lloyd George (not printed) Mr. Balfour said that on the morning of Dec. 2 'in the course of a few minutes' conversation after the meeting of the Committee on Limitation of Naval Armaments', Mr. Hughes told him 'that he had seen the President of the United States of America and had discussed the matter with his colleagues, and that, as a result, he was disposed to discuss the question of a *status quo* in regard to fortifications on the basis of a distinction being made between fortifications available as naval bases for offensive purposes, and those of a purely defensive character, in which category he included the fortification of Hawaii'.

² No. 465.

fortifications in Pacific, he added naval bases. Mr. Hughes in reply developed American argument on each point at very great length entering further into details than Baron Kato had done. On the question of naval bases and fortifications he made clear that he could make no concessions except as part of a general settlement to be accepted by Japan which must include, in addition, proposed quadruple arrangement and naval scheme as a whole based on the ten, ten, six proportion. Subject to this Mr. Hughes indicated with all reserve that America might agree to maintenance of (? *status quo*) as regards fortifications and naval bases in Pacific and in particular not to increase fortifications of Guam or Manila, or any island capable of use as a base for offensive purposes against Japan. But he expressly differentiated between Hawaii which is too remote from Japan to be used as a base for offensive purposes and possesses a purely defensive character. Mr. Hughes did not repeat his tentative suggestion of the previous day that if either party were to be without fortifications³ the other party could tear up the whole agreement. He made it clear that *status quo* in regard to defences should apply to other powers, parties to the agreement, to put ports in Australia and New Zealand outside the arrangement on the same footing as Hawaii and ports in Japan. Singapore was not mentioned.

At Mr. Hughes' request I made a short statement of our position. I pointed out that we accepted and commended the ten, ten, six ratio on the grounds of general policy. My technical advisers considered that of the three countries concerned Japan was the most secure under this arrangement when geographical and economic factors of situation are taken into account. If necessary I could probably show that British Empire was affected by agreement most adversely of the three powers but I did not wish to do so as I accepted general basis. I emphasized reasonableness of Japan's proposal for a *status quo* in fortifications in Pacific as a (? vital) corollary to limitation of naval armaments which in truth had been tacitly assumed by everyone in the previous conversations. I pointed out that with this safeguard and quadruple arrangement, Japanese people could regard their future safety with equanimity.

Baron Kato then said he could advance matters no further without communicating with his government. He does not expect reply for at least a week. Whole tone of conversation was admirable and I have every hope that we shall eventually reach a settlement. Beyond the bare facts of meeting taking place and that Baron Kato has telegraphed to Japan, no announcement has been made, though with my colleagues' assent, I have allowed it to be known that I am hopeful of reaching a satisfactory settlement.

³ The text here appears to be corrupt. For Mr. Hughes' suggestion, see No. 465 (top of p. 530).

No. 471

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 4, 8.30 a.m.)

No. 94 Telegraphic [F 4451/2905/23]

WASHINGTON, December 3, 1921

At the end of conversation reported in my immediately preceding telegram,¹ Mr. Hughes asked Baron Kato whether Japan would accept the proposed quadruple arrangement to replace Anglo-Japanese alliance.² Baron Kato replied that he was still awaiting an answer from Tokio but added that Japanese delegation in Washington accept the arrangement and he has no reason to believe that his government will refuse. He even thought that it would be safe to approach French delegation on the matter. Mr. Hughes is anxious to do this as M. Viviani³ is very sensitive at the comparatively minor role that France is compelled to play here which is affected by the Shantung incident reported in my telegram No. 87.⁴ Baron Kato is hastening reply from Tokio. In the absence of any . . .⁵ from you I assume that I have full discretion to enter into a quadruple arrangement on lines indicated in my previous telegrams.

¹ No. 470.

² See No. 458.

³ French delegate to the Washington Conference and former President of the Council.

⁴ This telegram of Dec. 1 (not printed) had reported that before the first meeting of the Japanese and Chinese delegates to discuss the Shantung question, the 'French delegation intimated that they expected to be invited to participate on the same basis as British and American delegations: this difficulty was solved by the Japanese who very opportunely let it be understood that their instructions from Tokyo only authorized them to discuss matter before British and American officials'.

⁵ The text is here uncertain.

No. 472

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 4, 8.30 a.m.)

No. 97 Telegraphic [F 4453/2905/23]

WASHINGTON, December 3, 1921

Your telegram No. 72.¹

By implication China might be comprised in the expression of 'Far East' in article 1 of Baron Shidehara's draft.²

By confining the agreement to islands, China, Korea and other parts of the continent of Asia would be automatically excluded.

I have no doubt that the intention is to include Australia and New Zealand, and the eventual instrument must be worded to provide for this decisively.

¹ No. 468.

² See *F.R.U.S.* 1922, vol. i, p. 4.

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 371 Telegraphic [F 4541/179/10]

FOREIGN OFFICE, *December 5, 1921, 9.30 p.m.*

Secret

Following information is reported to have been received by Japanese government from Japanese minister in Peking respecting recent run on Bank of China and Bank of Communications.¹

Among Chinese the opinion is prevalent that run was an Anglo-American plot with under-mentioned alternative designs:

(1) British desire to bring about a state of anarchy through destruction of present government and thus enable Wu Pei Fu² to seize the reins.

(2) An expedient to expose the chaotic financial state of China with a view to accelerate an agreement at Washington for the joint control of Chinese finances.

(3) Futility of present Chinese government having been realized by Great Britain, intention on the part of Aglen³ and other British subjects to use their power and influence to further undermine position of above banks, which enjoy the right to issue notes, so as to transfer the powers of the Bank of China to the Hong Kong and Shanghai Bank which would seek the co-operation of the Banque de l'Indo-Chine. In this way Great Britain would grasp the key of China's finances and, having destroyed present government, would require Wu Pei Fu to devise measures of relief.

Arguments adduced in support of these suppositions are:

(1) Aglen's order to customs houses to refuse acceptance of notes of two banks, his object being to expose China's bankruptcy and establish Great Britain in a commanding position prior to institution of joint foreign financial control.

(2) Refusal of English and Americans in the employ of China Posts and Telegraphs to accept these notes.

(3) Withdrawal of deposits with those banks by the British-American Tobacco Company, the Standard Oil Company and other British and American companies.

(4) Inflammatory character of British and American press correspondents which exaggerated the situation and encouraged a pessimistic view of the state of China.

Japanese minister's opinion is that above arguments are weak but is puzzled by following facts:

(1) Haste with which you and Aglen gave expression to pessimistic views of situation.

(2) Depressing tone of editorials in the 'Peking and Tientsin Times.'

¹ See Nos. 422 and 434.

² Inspector-General of Hupeh and Hunan: cf. No. 66.

³ Sir F. Aglen, Inspector-General of Chinese Maritime Customs; see No. 434.

(3) Aglen's 'alarming' theory that Wu Pei Fu is the only man able to bring order out of present chaos.

(4) Admission of Captain Gillis naval attaché of American legation to Mr. Ito secretary of Japanese legation that run was a manoeuvre to upset present government.

Repeated to Mr. Lampson (Washington Delegation) No. 77, private and secret.

No. 474

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 6, 8.30 a.m.)

No. 103 Telegraphic [F 4484/2905/23]

WASHINGTON, December 5, 1921

In an informal conversation with Sir M. Hankey, Italian Secretary-General¹ has revealed that if France participates in proposed Pacific agreement Italy will also expect to be included on the usual grounds of Italy's position and prestige as a world power. Hankey, while disclaiming any right to speak with authority and refusing to discuss the question of admission of France as more than hypothetical, made it clear that any arrangement started from the basis of Anglo-Japanese alliance as explained in Prime Minister's speeches in parliament, and that the more powers are included the less satisfactory a substitute to alliance will any arrangement become; that Italy having no territorial or other interests in the Pacific outside China has no special claim; and that for these and other reasons an official request for Italian participation even in hypothetical case of France coming in would be embarrassing.

¹ The Marquis Visconti-Venosta, Secretary-General of the Italian delegation to the Washington Conference. A copy of Sir M. Hankey's detailed account of this conversation of Dec. 3 was transmitted to the Foreign Office under cover of Mr. Sperling's despatch No. 49 of Dec. 9, not printed.

No. 475

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 81 Telegraphic [F 4461/833/10]

FOREIGN OFFICE, December 6, 1921, 2 p.m.

Your telegram No. 99.¹

We are somewhat concerned at your telegram which seems to indicate that you are prepared to give up Wei-hai wei merely as an affirmation of the sovereignty of China and of the principle of the open door, and in order to

¹ Of Dec. 4, not printed. This summarized the 12th meeting of the Committee on Pacific and Far Eastern Questions, the minutes of which are printed in *C.L.A.*, pp. 1058-75.

assist solution of Shantung question. We had earnestly hoped that the surrender would not be made except as part of a general settlement, involving acceptance by China of whatever conditions you and your colleagues might think it wise to attach to the offer. If we have interpreted your telegram rightly we seem likely to get nothing in return for our generosity.

No. 476

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 84 Telegraphic [A 9066/18/45]

FOREIGN OFFICE, *December 6, 1921, 7 p.m.*

Your 772 of 28th November.¹

1. We cannot give way on question of actual limitation of standing air forces.

2. You must take up the position that in the case of this country it is impossible to limit the attack that may be brought against us, and it is therefore impossible to limit our means of defence.

3. We are the power bound to suffer from bombing aeroplanes. Our only defence is the single seater fighter.

4. Single seater fighter must be regarded as a defensive weapon and absolutely essential for any country threatened by bombing aeroplanes. It would be impossible to prevent any country adopting a two seater aeroplane which would make a most efficient single seater fighter at short notice.

5. You have all the arguments about limitation in connection with Germany and should make full use of them to point out the impossibility of limitation.

Ends.

6. Please inform Air Vice Marshall [*sic*] Higgins that above represents views of Air Ministry approval [*? approved*] by Committee of Imperial Defence.

¹ Not printed. This telegram, sent by Sir A. Geddes, and headed 'from Air Vice-Marshal Higgins for Air Ministry' had suggested that the only possible limitation of standing air forces appeared 'to be with regard to single seater fighters'.

No. 477

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 85 Telegraphic [A 9058/18/45]

FOREIGN OFFICE, *December 6, 1921, 9 p.m.*

Following from Prime Minister:

Your telegram No. 90 of December 1st¹ has been considered by the

¹ No. 466.

Committee of Imperial Defence who are still of opinion that no limitation of aircraft or number of cadres is practicable.

The committee share views expressed in your telegram. They point out that our position is even worse than you suggest in that:

Firstly, conscription provides France with an unlimited number of ready-made mechanics of highest quality who can be drafted into air force from all trades in time of emergency, thus obviating peace expenditure on training and providing for immediate expansion of air force on mobilization.

Secondly, almost whole of fighting units of British air force are now and for many years must be stationed abroad.

The committee suggest that consideration might be given to possibility of an agreement for reciprocal furnishing of information as to number of aeroplane engines in existence.

No. 478

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 94 Telegraphic [F 4484/2905/23]

FOREIGN OFFICE, *December 7, 1921, 9 p.m.*

Your telegram No. 103.¹

We have assured Japanese government that we would only desire to abrogate the Anglo-Japanese alliance, which has worked well in the past, if we could substitute for it something even better for the future—see telegram to Washington No. 415.² We have of course always contemplated a tripartite arrangement with the United States, and the admission of France, although tolerable if required to secure the adhesion of America, will probably seriously diminish the value of proposed substitute for alliance in Japanese eyes. The inclusion of Italy would, however, it seems to us, so dilute the tripartite arrangement originally proposed, as to make it thoroughly unsatisfactory to Japan as a substitute for the alliance.

One of the great merits of your proposal to conclude two agreements is that the first agreement, being limited to the powers which really count in the Far East, would provide a more or less satisfactory method of superseding the Japanese alliance, while the second agreement would provide a means of preventing the other powers invited to the conference from feeling that they had been left out in the cold.

If Japan admits the inclusion of France in the first arrangement, it will only be with reluctance as a means to the end of improving their relations with the United States. But the case of Italy has no similar justification. She has no substantial interests in the Far East and has so far been unable to qualify even for admission to the consortium. Moreover, her inclusion would in all probability lead to similar and embarrassing requests on the part of

¹ No. 474.

² No. 328 (i.e. telegram No. 141 to Tokyo, repeated to Washington as No. 415).

other countries such as Holland, Portugal or Belgium, which have greater territorial and economic interests at stake.

In order to prevent the question being raised formally by the Italian government, we suggest that you should sound your Japanese colleagues at your discretion, and if our anticipations as to their feelings are confirmed, you might take an opportunity of representing the above consideration strongly to Mr. Hughes, and suggest that in the circumstances the inclusion of Italy would be both unworkable in practice and unfair to Japan, who has shown an exceedingly accommodating spirit so far.

If we thus supply the reasons for the proposed course of action, it should then be left to the United States to take the initiative in rejecting the proposal, since it is in order to please the latter that Japan and ourselves have agreed to abandon the alliance.

Repeated to Tokio No. 252 for repetition to Peking.

No. 479

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 97 Telegraphic [F 4451/2905/23]

FOREIGN OFFICE, *December 7, 1921, 9.30 p.m.*

Your telegrams Nos. 94 and 97.¹

We agree to quadruple alliance on lines indicated.

We cannot object to the inclusion of France if it will secure American adhesion, though there are, of course, practical objections which I have indicated in reply to your telegram No. 103 (regarding the inclusion of Italy).²

Repeated to Tokio, No. 255, for repetition to Peking.

¹ Nos. 471 and 472 respectively.

² See Nos. 474 and 478.

No. 480

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 8, 10 a.m.)

No. 115 Telegraphic [F 4538/2905/23]

WASHINGTON, *December 7, 1921*

Following on receipt of information that Japanese government had no objection to conclusion of a quadruple arrangement, including France, to replace Anglo-Japanese alliance.¹ Mr. Hughes called on me this afternoon and communicated text of revised draft based on Baron Shidehara's draft as amended by me forwarded in my telegram No. 70.² Later in afternoon

¹ This information had been transmitted by Mr. Balfour in his telegram No. 110 of Dec. 7, not printed except for extract in n. 5 below.

² Of Nov. 28, not printed.

Baron Kato and I met Mr. Hughes at State Department to discuss new draft which is contained in my immediately following telegram.³ At outset of meeting Mr. Hughes explained that he must assume Japanese government would agree to final settlement on the subject of mandated islands, a subject which I am dealing with in a separate telegram.⁴ Baron Kato read hastily but did not communicate text of an alternative draft which he had received from Japan and which differed very little in substance from Mr. Hughes' draft. Principal point of difference was inclusion of commercial interests as well as territorial rights, but both Mr. Hughes and I pointed out, apart from other objections, any extension of arrangement beyond territorial possessions would give excuse to Italy and other countries to ask for participation. Baron Kato did not press this point. After we had carefully read new draft, Baron Kato asked for time to examine it in detail. He was, however, sufficiently satisfied in principle to give Mr. Hughes permission to approach M. Viviani on the subject. I gave similar consent and Mr. Hughes undertook to see Viviani this afternoon. I have just heard by telephone that this interview was satisfactory and that Viviani is telegraphing to Paris to-night. Owing to many rumours in the press in regard to quadruple arrangement, Mr. Hughes is anxious to be able to make it public at earliest possible moment. In fact, he wished to do so to-morrow, but this is hardly possible until French government have acceded. Method of publication will be an announcement by Senator Lodge in committee on Pacific and Far Eastern questions which will be included in press communiqué.

Mr. Hughes has also undertaken to give Senator Schanzer [*sic*] assurance I have already reported.⁵ I am reporting in telegram No. 117 certain small alterations in draft agreement desired by British Empire delegation and accepted by Secretary of State.⁶

³ No. 481 below.

⁴ Washington Delegation telegram No. 118 of Dec. 7, not printed.

⁵ In his telegram No. 110 of Dec. 7 (see n. 1) Mr. Balfour reported that Senator Schanzer had intimated to Mr. Hughes that Italy would not press to enter into the proposed quadruple agreement 'provided that he is notified beforehand that arrangement is limited to powers with territorial interests in Pacific and Italian pride is thus saved'.

⁶ No. 482 below.

No. 481

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 8, 10 a.m.)

No. 116 Telegraphic [F 4539/2905/23]

WASHINGTON, December 7, 1921

Following is Mr. Hughes' draft outline of an agreement between the United States of America, the British Empire, France and Japan. Begins:

With a view to the preservation of general peace and maintenance of

their rights with regard to their insular possessions and dominions in the Pacific Ocean the signatory powers agree as follows:

1. They engage as between themselves to respect the said rights and if there should develop between any two high contracting parties controversies [*sic*] on any matter in the above-mentioned region which is likely to affect the relations of harmonious accord now happily subsisting between them they shall invite the other high contracting parties to a joint conference in which the whole subject will be referred for consideration and adjustment.

2. If the said rights are threatened by aggressive action of any other power, the threatened¹ contracting parties shall communicate with one another fully and frankly in order to arrive at understanding as to the most efficient measures to be taken jointly or separately to meet the exigencies of the particular situation.

3. This agreement shall remain in force for ten years from the time it shall take effect and after the expiration of the said period it shall continue to be in force subject to the right of any of high contracting parties to terminate it upon twelve² months' notice.

4. This agreement shall be ratified as soon as possible in accordance with constitutional methods of high contracting parties and shall take effect on exchange of ratifications which shall take place at Washington and thereupon agreement between Great Britain and Japan which was concluded at London on July 13th, 1911, shall terminate.

¹ The text of this draft printed in *F.R.U.S. 1922*, vol. i, pp. 7-8, here reads 'High' instead of 'threatened'.

² The text printed *ibid.* here reads 'six'; cf. No. 482 below.

No. 482

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 8, 8.30 a.m.)

No. 117 Telegraphic [F 4542/2905/23]

WASHINGTON, December 7, 1921

My two immediately preceding telegrams.¹

Following are alterations proposed by British Empire delegation as amended by Mr. Hughes.

Preamble. Repeat word 'insular' before 'dominions'. Instead of words 'in Pacific Ocean' put 'in region of Pacific Ocean'. Reason for this is that parts of Australia and New Zealand are not technically in the Pacific Ocean. Term 'in regions of' was employed in phraseology of Anglo-Japanese treaty of 1911.

Also in preamble for words 'signatory powers' insert names of the powers.

Article 1. For 'controversies' put 'a controversy'. This correction is merely grammatical.

¹ Nos. 480 and 481.

Article [1]. After words 'region which' insert 'is not satisfactorily settled by diplomacy and'. Object of this is to prevent relatively minor questions which can be settled by diplomacy being brought before a joint conference.

Article 4. For 'exchange of ratifications' put 'deposit of ratifications'. This is merely a drafting point.

You will observe that principal differences between Mr. Hughes' draft and Baron Shidehara's draft as amended by myself are its extension to the four powers, addition of a preamble, inversion of articles 1 and 2, addition of time-limit in article 3 and addition of ingenious article 4 which places on Senate onus of approving this new arrangement if they wish to see Anglo-Japanese alliance terminated. As a matter of detail I would observe in Mr. Hughes' original draft time-limit was six months, which at my request he at once altered to twelve months' notice.²

² See No. 481, n. 2.

No. 483

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 9, 8.30 a.m.)

No. 122 Telegraphic [F 4544/2905/23]

WASHINGTON, December 8, 1921

Your telegram No. 94.¹

Mr. Hughes and I this morning made formal notification under seal of secrecy to Senator Schanzer of nature of quadruple arrangement now being negotiated. Mr. Hughes handed Senator Schanzer copy of draft agreement contained in my telegram No. 116,² as amended by my telegram No. 117,³ with a warning that it was still subject to drafting amendments. Now that this formal notification has been made Italian delegation appear perfectly satisfied.

Senator Schanzer has behaved very well in not pressing Italy's original desire to participate.

However ill founded this desire may have been, and all the arguments you used have throughout been in my mind, I think it might be useful if Lord Curzon could take some opportunity of expression of gratification at Italy's disinterested attitude which has been really helpful.

¹ No. 478.

² No. 481.

³ No. 482.

No. 484

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received December 10, 7.10 p.m.)

No. 491 Telegraphic [A 9187/18/45]

TOKYO, December 9, 1921, 8.20 p.m.

Present position appears to be that Japanese government wish to accept

proposed naval ratio, but find it difficult to overrule Admiral Kato's technical objections and are afraid of popular indignation if 'Mutsu' is scrapped.

No. 485

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 101 Telegraphic [A 9204/18/45]

Very urgent. Personal and secret

FOREIGN OFFICE, *December 9, 1921, 11 p.m.*

We are very anxious to know what is happening about the ten years' absolute naval holiday for capital ships. We see statements in the newspapers to the effect that 'the British naval experts have pointed out to the American naval experts that the scheme as announced by Mr. Hughes, however well meant, will not work in practice; and that incidentally, if carried out, it would give the British navy an advantage ten years hence in being entitled to build an enormous programme of new capital ships in advance of the United States'.¹ We have also received Hankey's letter of November 25th,² which in no way contradicts these newspaper rumours. Otherwise we have heard nothing.

In these circumstances we feel bound to reiterate our view that the ten years' absolute naval holiday in capital ship construction originally proposed by the United States ought to be accepted definitely as the policy to which Great Britain will subscribe. We consider that this would secure an immense advantage to the whole world, and that we ourselves have nothing to fear from it. On the contrary, the arrangement proposed by America was undoubtedly extremely favourable to us in that at the close of the ten years' absolute naval holiday we should have been entitled to a renewal of our fleet on a scale which would certainly have given it another six or seven years' unquestioned superiority over the United States line of battle. It is surely no use trying to look more than sixteen or seventeen years ahead in these matters. If we could get an assured naval primacy in the line of battle for seventeen years to come by agreement with the United States, we ought to be unfeignedly thankful. It is unreasonable to assume that the controversy about capital ships will remain in the same position seventeen years hence as it is today.

In these circumstances we hope it is not true that our naval experts have been, to quote Hankey, 'helping the Americans out' by pointing out to them the disadvantages of their own proposal from their point of view. This would surely be a gratuitous and even a wanton task. The governments and peoples on both sides of the Atlantic wish for the absolute naval holiday in

¹ In his telegram No. 113 of Dec. 12 (not printed) Lord Curzon said: 'We have now had the advantage of discussing naval position with Lord Beatty. We are very glad to hear from him that there is no truth in the newspaper rumours to which we referred. . . .'

² Not traced in Foreign Office archives.

capital ships.¹ The admirals on both sides no doubt wish for a continuous, progressive, competitive construction on an agreed scale in capital ships. But this is a matter in which the views of the governments should prevail, and those views ought not to be frustrated by professional understandings and confidences which, in so far as they have been indulged in, are admittedly to the detriment of the particular interests of this country.

We are not binding you in any way about the construction of cruisers and small craft of every kind. That is a different and far more complicated side of the question, and although we would pay a great deal for the complete abolition of the submarine, yet if this cannot be attained we are sure British interests will not be injured by complete freedom of construction. But upon the question of the absolute cessation of the building of capital ships, we have a decided conviction arrived at after a careful examination. This conviction we have several times expressed in our cables to you, viz., that we should accept it in the spirit and in the letter; that we should put up with all the inconveniences of a technical character consequent upon it; that we should offer no countenance or assistance of any kind to American naval experts who wish to escape from the proposals of their own government; that we should form the closest union with American public opinion on this subject; and that if the proposal is to break down it shall only be in the face of our sincere and publicly expressed regret.

The purely naval interests of Great Britain will be well secured by a ten years' absolute naval holiday in capital ship construction plus perfect freedom in the construction of smaller craft. Alternatively, they would be well secured by the said naval holiday in capital ships plus the abolition of submarines and a limited construction of smaller craft which took proper account of our greater needs in this respect. This second alternative however is more complicated and doubtful than the first, and an agreement would probably be far more difficult to arrive it [? at]. The repairing or improving of existing battleships and the maintenance in good order of our ship construction plants are domestic matters for each country, in regard to which no international agreement is possible.

I may add that there is no doubt that the failure of the naval holiday through the attitude of our experts and the financial consequences which it will entail will be severely criticised in the House of Commons.

¹ After an audience of H.M. King George V on Dec. 3, Lord D'Abernon, H.M. Ambassador at Berlin, had recorded that the King was 'a strong advocate of the total scrapping of all capital ships, and submarines, and also of aeroplanes and gas warfare', and had expressed the view that land armies 'would be dissolved on economical grounds when the navies had been scrapped. It was like taking a man's golf clubs away—if he had no clubs he could not play—if nations had no navies and no armies they could not fight. It might be strange for him to seek to scrap and do away with his former occupation—but he thought that it was of great interest to the world. . . .'

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 10, 8.30 a.m.)*

No. 128 Telegraphic [F 4557/2905/23]

WASHINGTON, December 9, 1921

My telegram No. 125.¹

Agreement has now been reached on quadruple treaty. Provided that French accept principle of quadruple treaty it will be announced as an agreed text at a special plenary meeting on Saturday morning.² Signatures will not take place for some days at any rate and perhaps not before American government have finally agreed to their treaty with Japan in regard to 'C' mandate.³

¹ Of Dec. 8, not printed.

² i.e. Dec. 10. For the announcement, see *C.L.A.*, pp. 158-61.

³ i.e. the treaty regarding the former German islands in the Pacific north of the Equator, and in particular the island of Yap. Cf. No. 234, n. 4. For the text of the treaty signed on Feb. 11, 1922, see *B.F.S.P.*, vol. 116, pp. 1031-5.

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 10, 8.30 a.m.)*

No. 130 Telegraphic [F 4565/2905/23]

WASHINGTON, December 9, 1921

After a prolonged discussion for two hours yesterday, agreement was reached this morning in regard to text of quadruple Pacific treaty contained in my telegram No. 116.¹ Principal difficulty arose in regard to question whether the main islands of Japan were included in term 'insular possessions and insular dominions'. At yesterday's meeting Baron Shidehara pressed for exclusion of Japan on the ground that mainland territory of other parties to treaty was excluded and that inclusion of Japanese mainland territory would offend public opinion in Japan. I pointed out that Australia and New Zealand must unquestionably be regarded as part of mainland territory of British Empire.

Inclusion of Australia and New Zealand when main islands of Japan were excluded might convey impression that Australia and New Zealand were of secondary importance. I pointed out also that exclusion of mainland territory of Japan from this treaty would be difficult to explain to public opinion and sinister reason for it would be manufactured.

This morning Baron Shidehara withdrew his objections and preamble and article 1 were modified so as to make it clear that main islands of Japan are included. Further wording of article 1 was modified. Wording of last

¹ No. 481. For Sir M. Hankey's records of these discussions on Dec. 8 and 9, see *F.R.U.S.* 1922, vol. i, pp. 13-29. For his role as secretary, see No. 517 below (p. 572).

paragraph in article 1 is rather strained on account of our desire to attain following objects.

- (a) To limit primary operation of treaty to territorial interests so as to justify non-participation of Italians.
- (b) To limit primary operation to insular possessions so as to justify non-participation of China, &c.
- (c) To permit disputes which do not primarily arise in connection with insular possessions, but affect them in a secondary way, to come under peacemaking provisions of clause.

No. 488

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 10, 8.30 a.m.)

No. 133 Telegraphic [F 4562/2905/23]

WASHINGTON, December 9, 1921

This afternoon Mr. Hughes raised with me question of effect of signature to proposed quadruple agreement on discussions now proceeding between our two governments about 'C' mandates.¹ He explained that as regards Japanese islands an agreement had practically been reached and signature of treaty could proceed on the footing that matters in dispute were settled.

As regards British mandates, however, position was not the same. United States position was that they were quite willing to accept allocation of mandates and their terms and to take such steps as were necessary from their point of view to regularise position of mandatory, provided that their position was safeguarded in certain respects. He mentioned several such points, of which some, such as extension to United States of benefits reserved to members of the League and treatment of missionaries, should present no difficulties, while several, such as position of monopolies, which would affect Nauru and American claims under Anglo-German-American treaty respecting Samoa,² are more difficult. Mr. Hughes did not suggest that these questions should be settled at once but he was anxious to avoid any possibility of its being suggested that signature of quadruple agreement by mutual recognition of existing rights involved abandonment by United States government of claims made in correspondence now proceeding. What he wanted was that this discussion should continue with a view to satisfactory settlement after treaty had been signed just as would have been done if there had not been the treaty and he suggested an exchange of notes to this effect. I at once recognized the reasonableness of this request and propose to arrange accordingly. Representatives of Australia and New Zealand who also agreed to course proposed are informing their governments.

¹ For these discussions on mandates, see *F.R.U.S.* 1921, vol. ii, pp. 106-18.

² For this convention of 1899, see *B.F.S.P.*, vol. 91, pp. 75-78.

Note by Sir M. Hankey of a conversation between Mr. Balfour and Mr. Hughes¹

[A 9628/18/45]

Secret

WASHINGTON, December 9, 1921

France's Allocation of Capital Ships under the American Scheme for Limitation of Naval Armament

After his meeting with Mr. Hughes, M. Viviani and Baron Shidehara this morning (December 9, 1921) to discuss the terms of the Quadruple Treaty,² Mr. Balfour remained behind for a few minutes' private conversation with Mr. Hughes.

In the course of this conversation Mr. Balfour mentioned that M. Viviani had asked to see him on the question of France's proportion of capital ships under the American scheme. Mr. Balfour mentioned that he had received some rather disquieting information from Paris, to the effect that France was likely to ask for the same proportion as Japan.

Mr. Hughes expressed regret that it had not yet been possible to discuss this question at the Conference, but he had felt it would be unwise to run the risk of complicating the Japanese ratio by introducing the French and Italian ratios until the former question was disposed of. He had had some more or less informal conversation on the subject with M. Viviani and M. Jusserand.³ He gathered that France had now about 7 fairly modern capital ships of about 170,000 tons and some pre-Dreadnoughts, bringing the total to about 220,000 tons. He had gathered the impression that, whatever attitude France might take up at the outset, she would in the end be content with a ratio in the region of 175,000 tons. France morally was not in a position to build capital ships at present, having regard to her financial and economic position. He gathered, however, that, from the point of view of her prestige as a world Power, France wanted to have the right to increase her naval strength in capital ships when she had improved her economic position. He himself had given M. Jusserand a hint that his own idea was an allowance to France of about 175,000 tons in capital ships. He thought that M. Jusserand had understood him and that he had not felt any objection.

M. P. A. HANKEY

¹ A copy of this note was received in the Foreign Office on Dec. 28 as enclosure in Washington Delegation despatch No. 51 of Dec. 13, not printed.

² See No. 487.

³ French Ambassador at Washington.

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 12, 8.30 a.m.)

No. 454 Telegraphic [F 4599/179/10]

Secret

PEKING, December 11, 1921, 10.45 p.m.

Your telegram No. 371.¹

Aglen has since last China new year taken extremely pessimistic view of financial situation which while justified by facts has not perhaps sufficiently allowed for (? Japanese [? Chinese] government) ingenuity in postponing a crash.

This action in circulating instructions to customs (? commissioners) to withdraw deposits from two government banks while perhaps justifiable in the interests of bond-holders has subjected him to much hostile criticism and provoked head office of Bank of China to send secret circular to their branches to the effect that British were trying to bring about financial crisis in China during session of Washington conference and that Inspector General of Customs was particularly active in this matter and was secretly advising foreign merchants to withdraw deposits from Chinese government banks.

I protested vigorously to Minister for Foreign Affairs against this scandalous insinuation on the part of Bank of China against Aglen and British in general.

Chinese government in their anxiety to raise money (see my telegram No. 426)² undoubtedly connived at agitation against Aglen whose status as a Chinese official was over-shadowed in their eyes by the fact that he was a British subject.

It is true that Aglen at the beginning of the crisis spoke rather wildly of Wu Pei Fu as the only man capable of restoring order³ but I was unaware that he had been voicing this theory outside this legation.

Editor of 'Peking and Tientsin Times'⁴ has never concealed his view that the sooner present cabinet are out of the way the better, that a financial crisis was inevitable and necessary to clear the air. This is general view of all competent foreign observers.

Gillis is ex-naval attaché at American legation and a very (? irresponsible) person.

As regards my own action while I have felt bound to stand up as far as possible for Aglen I have carefully refrained from giving expression to his pessimistic views and at the beginning of the crisis brought Aglen into direct touch with my colleagues (see my telegram No. 392)⁵ with whom I have consistently kept together.

¹ No. 473.

² No. 434.

³ See No. 473.

⁴ Mr. H. G. W. Woodhead.

⁵ Of Oct. 20, not printed.

No. 491

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 12, 9.30 p.m.)

No. 455 Telegraphic [F 4600/51/10]

PEKING, December 12, 1921, 7.55 p.m.

Your despatch No. 968.¹

For last three years there has been desultory local agitation at Amoy by (? partisan)s of 'Young China' against our control of portion of foreshore of British concession reclaimed under agreement of March 12th, 1878 (see Peking despatch No. 62 of April 30th, 1878).² In May last, when Messrs. Butterfield and Swire proceeded to rebuild a flying bridge, connecting their hulk with this foreshore, which bridge had been originally erected under written agreement made with Chinese authorities in (? 1915)³ agitation forced suspension of work by threat of boycott.

As our frontage rights of concession ports were threatened by this irresponsible challenge of (? long)-standing agreements I informed Minister for Foreign Affairs that work would be resumed, and I arranged with commander-in-chief for one of His Majesty's Ships to be present in port.

Boycott of Messrs. Butterfield and Swire followed resumption of work last month, but Minister for Foreign Affairs has issued instructions to (? suppress) agitation and now evinces anxiety for settlement defining our rights of control, which, he admits, have never been previously challenged by Central Government.

¹ This despatch in the Consular series of Foreign Office files has not been preserved.

² For this agreement, see No. 526 below, n. 2.

³ This date was amended in pencil on the filed copy to read '1900'. For this agreement, see also No. 526 below, n. 2.

No. 492

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 111 Telegraphic [A 9226/18/45]

FOREIGN OFFICE, December 12, 1921, 9 p.m.

The cabinet at their meeting today desired me to send to you and your colleagues an expression of their profound gratification at the successful issue of your labours,¹ which promise to have consequences of immeasurable value for the peace and security of the world, and to add an expression of their personal admiration for the manner in which both by speech and counsel, you have contributed to this result, which will always be regarded as the crowning achievement of your great career.

¹ i.e. at the conclusion of the Quadruple Treaty. Cf. No. 499 below, n. 1.

No. 493

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
*No. 114 Telegraphic [F 4601/132/10]*¹*

Secret

FOREIGN OFFICE, December 12, 1921, 10 p.m.

Following for Mr. Lampson.

We learn from a secret source that although Tokio Government have instructed their Delegates to make every endeavour to secure recognition of their claim to work jointly Shantung Railway, including the ?Kaomi-Hsuchow Line, they realise that Mr. Hughes is opposed to joint working, and that proposal may be also exercising public opinion outside the U.S.A. If therefore a settlement of the Shantung Question as a whole would be hindered by insistence on claim, they would be prepared to consider compromise. In such an event, further reference to Tokio by Delegation would be necessary.

Importance is attached to operation of Tsingtao wharves as an integral part of Railway for reasons of practical convenience.

The greatest importance is attached to securing recognition of the continuance of the Kiao-Chow salt industry. If the export of this salt were not admitted, interests of Japanese nationals would be very seriously affected.

¹ Only the approved draft of this telegram, as here printed, has been traced in Foreign Office archives.

No. 494

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 13, 9.40 a.m.)
No. 143 Telegraphic [A 9268/18/45]

WASHINGTON, December 12, 1921

This afternoon I met Mr. Hughes and Baron Kato at State Department to ...¹ Japanese ratio.² Baron Kato after paying lip service to the 10-10-7 ratio expressed his willingness to accept the ratio 10-10-6 on the understanding that America would agree to *status quo* as regards fortifications and naval bases in the Pacific. Mr. Hughes accepted this on the understanding firstly that Hawai[i] was excluded, to which Baron Kato agreed; and secondly that all the powers members of quadruple treaty including Japan accepted *status quo*. I accepted these conditions on behalf of British Empire stating definitely that we should be willing to maintain *status quo* at Hong Kong and in the British Empire's islands in the Pacific. I definitely excluded from the scheme ports in Australia and New Zealand and this was agreed to by Mr. Hughes and Baron Kato. Singapore was not mentioned. On question of 'Mutsu' Baron Kato was absolutely unmovable. It would be impossible he said to persuade

¹ The text is here uncertain. The word 'discuss' was inserted in pencil on the filed copy.

² For Sir M. Hankey's memorandum of this meeting see *F.R.U.S. 1922*, vol. i, pp. 90-99.

Japanese people to give way on this point. He proposed to retain 'Mutsu' and to scrap the 'Settsi' ['Settsu']. Mr. Hughes said that American public would never accept this as it would alter the ratio. Mr. Hughes and I made it clear that if the 'Mutsu' was retained America would have to complete ships under construction and Great Britain would have to build. Mr. Hughes then insisted strongly that arrangement as regards the ratio and *status quo* in fortifications and naval bases must depend on rearrangement of capital ships so that although the 'Mutsu' is retained ratio 10-10-6 shall not be altered. Possible increase in total tonnage of capital ships consequent on retention of the 'Mutsu' should be carefully watched in order to avoid difficulties which might arise when French ratio comes to be considered.

We adjourned until tomorrow afternoon to give time to our naval experts to study this question and to advise us individually. Entire secrecy is to be preserved until agreement is reached which I hope may be possible tomorrow.

No. 495

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 13, 10.30 a.m.)*

No. 144 Telegraphic [A 9254/18/45]

WASHINGTON, December 12, 1921

Your telegram No. 101.¹

Refusal of Japan to surrender 'Mutsu' as reported in my telegram No. 143² destroys 10 year holiday at least in its original form.

I therefore need not say anything further on the merits or demerits of that scheme. Let me, however, make two observations on your telegram No. 101. First is that British Empire delegation while confident that you wish to hear their views without reserve have not the least idea of furthering any policy which you disapprove.

Second is that you unintentionally do much less than justice to our naval experts. Facts are these: American scheme was announced on Saturday morning November 12th. That evening Lord Lee dined at White House and had long talk with Secretary of Navy who had already realised holes in 10 years' holiday scheme and was much disturbed by discovery. From that moment of disappointment American misgivings were common knowledge amongst all naval staffs while first intimation of your views did not reach us until 15th. In these circumstances Lord Lee, Lord Beatty and Admiral Chatfield inevitably and surely quite rightly exchanged ideas with American delegates and experts. In so doing they certainly had my full approval.

Newspaper rumours as to what our experts have said about supposed disadvantages [? advantages] that holiday would give to British navy in 10 years is [*sic*] quite without foundation. I am absolutely confident that they have behaved throughout with utmost discretion and loyalty.

¹ No. 485.

² No. 494.

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 14, 8.30 a.m.)
No. 456 Telegraphic [F 4652/61/10]

PEKING, December 13, 1921, 1 a.m.

Washington delegation telegram No. 91.¹

Following from commercial counsellor, Shanghai.

Begins:

Your telegram No. 99.²

Following from commercial attaché:

'Following resolution was passed at meeting of general committee held this morning:

"British chamber of commerce at Shanghai, having learnt that Washington conference proposes to agree to an immediate revision of Chinese import tariff up to an effective $7\frac{1}{2}$ per cent. *ad valorem*, desire to record emphatic protest against any revision of Chinese tariff involving increase in existing rate of import duties which is unaccompanied by corresponding revision of China's internal taxation of merchandise. Chamber of commerce see no reason whatever to alter views expressed and unanimously approved at conferences of associated British chambers of commerce in 1919 and 1920, notably in resolution passed at the second conference to the effect that advantage should be taken of revision of tariff to press for reorganisation of the whole system of taxation of trade in China and that as a practical step in this direction the Chinese government should be pressed forthwith for the abolition of coast trade duties.³

"Chamber recalled that in December 1918 international tariff revision commission at Shanghai concluded its labours by passing a resolution earnestly recommending to Chinese government the advisability of devising measures for total abolition of all forms of inland taxation and they understand in February 1920 Chinese government notified British minister at Peking of their desire to abolish *li-kin* and their intention of summoning a conference of provincial representatives to discuss the matter.⁴ Chamber are of the opinion that conference now sitting at Washington affords an unique opportunity of bringing pressure to bear on Chinese government to initiate these long-delayed and most necessary reforms and that failure to seize this opportunity will mean a continuance for an indefinite period of the burdens which now hinder the development of the trade of China.

"If Chamber are right in supposing that Washington conference are considering the carrying into effect at a later date of the provisions of article 8 of Mackay treaty⁵ they would point out that this article does not provide for

¹ No. 469.

² See *The China Year Book*, 1921-2, p. 973.

⁴ See No. 60, n. 2.

³ Not traced in Foreign Office archives.

⁵ See No. 469, n. 3.

effective and complete abolition of internal taxation as, although it abolishes *li-kin*, it leaves a loophole for the maintenance of other and equally objectionable forms of internal taxation of trade.

"With reference to suggestion that this increased revenue should be earmarked for railway construction, chamber are of the opinion that if Chinese railways are properly administered their revenues afford ample security for raising any further loans for their upkeep and extension, and consider that it is quite unnecessary to raise China's import tariff for this purpose.

"The chamber, acting on behalf of associated British chambers of commerce in China and Hongkong, beg that His Majesty's minister will be so good as to telegraph the views above expressed to Foreign Office for transmission to British delegation in Washington."

No. 497

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 13, 6 p.m.)

No. 457 Telegraphic [F 4637/61/10]

PEKING, December 13, 1921, 12 noon

My immediately preceding telegram.¹

I concur generally in chamber's views and consider that utmost we should concede (? for) revision of tariff and inland taxation as a whole is a surtax of 25 per cent. on present tariff rates for the purposes and under the conditions named in my telegram No. 400.²

Proposal to devote any portion of customs revenue to railway construction is entirely new and in my opinion impracticable and dangerous, being liable to confuse the two distinct but complex issues of tariff (? revision) and consortium finance. Any provisional increase in this revenue should be devoted firstly to the service of unsecured foreign debt (although Japanese would be chief beneficiaries I feel very strongly that until this debt is provided for there can be no real improvement in the state of Chinese finances), and secondly, if available, to the maintenance and extension of conservancy works at open ports, many of which are already (? in) receipt of support from the customs revenues allocated thereto in the first place by agreement between Chinese government and *corps diplomatique* and then expended under joint Sino-foreign supervision on the spot.

Luxury taxes if conceded prior to abolition of internal taxation will only lead to increased hindrances to bank trade (? generally) and recent action of Canton government in imposing additional tax of 20 per cent. on wine and tobacco, and in maintaining China's sovereign right to do so, affords conclusive proof of *mala fides* in tariff matters on the part of that section of the country.

¹ No. 496.

² No. 408. Cf. No. 462.

On the other hand I see no objection to initiating negotiations in China forthwith for enforcement of article 8 of Mackay treaty, as these will involve much preparatory work which might proceed while waiting for settled government and even act as a stimulus to latter.

No. 498

The Marquess Curzon of Kedleston to Sir C. Eliot (Tokyo)

No. 258 Telegraphic [F 4587/2905/23]

FOREIGN OFFICE, *December 13, 1921, 10 p.m.*

On the occasion of the signature of the Quadruple Treaty at Washington you should, if you think such a message would be appreciated, inform the Japanese government of our sense of the valuable service which the Anglo-Japanese Alliance has rendered, of our appreciation of their loyalty to the close ties and obligations which it created, and of our gratification at this development of the hitherto existing agreement into a larger instrument which will perpetuate our traditional friendship and in doing so improve the good relations of all the four powers whose interests in the Pacific are predominant.

Repeated to Washington delegation, No. 117.

No. 499

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 14, 8.30 a.m.)

No. 152 Telegraphic [F 4635/2905/23]

WASHINGTON, *December 13, 1921*

Quadruple treaty was signed at State Department at 11 o'clock this morning.¹ Your telegram No. 115² arrived just in time to enable me to sign for South Africa.

Yesterday morning I had discussed with Mr. Hughes question whether a document should be signed at the same time as treaty making it plain that it applied to mandated islands and embodying two points mentioned by Mr. Lodge when introducing treaty (see my telegram No. 137, paragraphs 3 and 4).³

Mr. Hughes was then clearly of opinion that no such document was necessary in addition to exchange of notes providing for preservation of *status quo* as regards discussions now proceeding relating to 'C' mandates (see my telegram No. 133).⁴ To this Japanese delegation and, I understand, also

¹ For the text, see Cmd. 1627 of 1922, *Conference on Limitation of Armament, Washington, 1921-22 (Treaties, Resolutions, etc.)*, No. 7.

² Of Dec. 11, not printed.

³ Of Dec. 11, not printed; paras. 3 and 4 quoted part of Mr. Lodge's statement after he had read the text of the treaty, see *C.L.A.*, pp. 160-1.

⁴ No. 488.

French agreed. When however I arrived at State Department this morning it appeared that Mr. Hughes had changed his mind as we were presented with a document which he proposed should be signed at the same time as treaty. Document is given in my immediately following telegram.⁵ It contains nothing to which we need object and has the advantage of placing it unmistakably on record that treaty applies to mandated islands while it supersedes proposed exchange of notes between Mr. Hughes and myself. No one raised any objections, and document was signed with treaty.

⁵ Of Dec. 13, not printed; for the text of this document see Cmd. 1627 of 1922, No. 8.

No. 500

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 14, 9.10 p.m.)
No. 158 Telegraphic [F 4686/132/10]

WASHINGTON, December 14, 1921

Your telegram No. 114, last paragraph.¹

Chinese have offered to give fair compensation to Japanese industrial interests in Tsing-tao salt and to arrange for export to Japan of necessary annual supplies. Japanese delegation, at the request of Chinese delegation, have wired for statement of exact amount required.

Japanese delegation (? wanted to) adopt stiff attitude on this question, but British representatives pointed out to them discreetly that they had no case and that they were giving Chinese delegation excellent handle on which to hang rupture of negotiations if they persisted. Japanese delegation have since intimated confidentially that they hope to meet China on this matter.

Please repeat to Peking for repetition to Tokio, together with your telegram No. 114.

¹ No. 493.

No. 501

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 15, 9.50 p.m.)
No. 162 Telegraphic [A 9336/18/45]

[? Part 1]

WASHINGTON, December 14, 1921

When Mr. Hughes, Baron Kato, and I met yesterday afternoon to discuss rearrangement of American scheme for limitation of capital ships consequent on retention of 'Mutsu'¹ there developed a situation of some difficulty. American proposal so far as Japan and America are concerned is that Japan should retain 'Mutsu' and scrap 'Settsu' while America completes 'Colorado'

¹ Cf. No. 494. For Sir M. Hankey's record of this meeting, see *F.R.U.S. 1922*, vol. i, pp. 99-106.

and 'Washington' and scraps 'North Dakota' and 'Delaware'. Result of that would be to preserve ratio of ten to six for America and Japan but to raise limits of total tonnage to approximately 525,000 in case of America and 315,000 in case of Japan as compared with limits of 500,000 and 300,000 tons provided in original scheme. Baron Kato accepted this. My proposal was for Great Britain to complete two super-'Hoods' and to scrap a certain number of older capital ships, though not until their completion. I did not at first specify number to be scrapped, but admitted that owing to large tonnage of new ships more than one of the old ships would be involved. This arrangement was accepted by Baron Kato but Mr. Hughes at once fastened on to tonnage of new ships, which he pointed out would upset limit of 35,000 tons proposed for capital ships in replacement period. I emphasized the great importance we attached to these particular ships. Much effort had been devoted to their design, which had been the result of costly experiment, a great part of which would be thrown away if we were compelled . . .² new and smaller ships. Materials had been collected, contracts had been placed, and contractors had altered their plant especially for construction of these ships. A year would be lost in the designing of new ships within 35,000 ton limit, that is to say for four years our navy would possess no post-Jutland capital ship—for the 'Hood' is not completely post-Jutland—at a time when Japan possessed two and America three post-Jutlands. This was not a situation we were willing to contemplate. Mr. Hughes pointed out that with regard to American proposal, which was based on ten, ten, six ratio of efficiency, British tonnage worked out at 604,000 tons as compared with America's 500,000 tons. Surplus tonnage of 104,000 had been allowed in order to compensate for greater age of British ships. But if Great Britain were to build two super-'Hoods' with an aggregate of 90,000 tons she would be left with 694,000 tons as compared with America's 525,000 and Japan's 315,000 under new scheme. Even if 4 'King George V' with an aggregate of 96,000 tons were scrapped, Great Britain would be left with 598,000 tons. Mr. Hughes could not see that this British excess of nearly 75,000 tons over America could be justified since by this time Great Britain would possess two largest and most powerful post-Jutland capital ships in the world and original reason for her excess tonnage, namely greater age of her ships will have disappeared. On these grounds he urged that we should content ourselves with two 35,000 ton ships on the understanding that, pending their completion we should retain our older ships. We then adjourned to enable me to consult my naval experts.

Part two follows.³

² The text was here uncertain. A pencilled note on the filed copy reads: 'to build'.

³ No. 502 below.

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 16, 10.45 a.m.)

No. 167 Telegraphic [A 9347/18/45]

WASHINGTON, December 15, 1921

Part 2

After consultation with Lord Lee and Admiral Chatfield, I again met Mr. Hughes and Baron Kato yesterday evening.¹

After repeating my previous arguments in favour of completion of our super-'Hoods', I pointed out that scrapping of our 'King George V' class and America's 'North Dakota' and 'Delaware' would result in removing classes in which, ship for ship, superiority in tonnage and age lay with Great Britain. In all other pre-Jutland ships however advantage in age and tonnage rested with America, in addition to which our ships were prematurely aged by the war. Our disadvantage in these classes was increased by the scrapping of older classes and was not compensated for by advantage we should gain by the building of two super-'Hoods' particularly as the 'Hood' herself was only partly post-Jutland.

After considerable discussion as to proper tonnage excess over new American standard of 525,000 tons, to be granted to Great Britain in compensation for our pre-Jutland ships, it was agreed that a reasonable course, if Great Britain decided to build two super-'Hoods', would be for us to scrap four 'King George V's' and one battle-cruiser probably the 'Tiger' or the 'Repulse': effect would be that we should gain 96,000 tons due to new ships on our original 604,000 tons and lose 125,000 tons for ships scrapped leaving us with 575,000 tons against America's 525,000 tons. That is to say, we were given a margin of 50,000 tons in compensation for age of our pre-Jutland ships. Question then arose as to what our position would be in the future when naval holiday was over and normal system of replacement had been entered on. By that time our capital ships' tonnage ought to be reduced to American level of 525,000 tons, composed of fifteen ships of 35,000 tons each. But in fact Great Britain would in the early stages of that period possess besides the 'Hood', two super-'Hoods' with many years of life remaining to them and with an excess tonnage of 14,000 tons each above normal of 35,000 tons. In these circumstances, it was clear that when the normal period was entered on, unless the average of our other ships was kept below 35,000 tons each we might have to content ourselves with fourteen instead of fifteen capital ships to compensate for excess tonnage of our super-'Hoods'. Admiral Chatfield had proposed that in order to avoid this, I should try to get rid of tonnage basis of calculation and reckon by numbers of ships, but Lord Lee agreed with me that I could not at this late stage (? reverse) this fundamental principle of American scheme. Accordingly I took up as an alternative proposition building by Great Britain of two 35,000 ton ships

¹ For Sir M. Hankey's record of this meeting, see *F.R.U.S.* 1922, vol. i, pp. 106-14.

instead of super-'Hoods'. After considerable discussion and bargaining Mr. Hughes proposed in this case we should on completion of the new ships scrap the four 'King George V's'. Effect of adding these two 35,000 ton ships to, and deducting four 24,000 ton ships from, our original total of 604,000 would be to leave us with 578,000 tons as compared with America's 525,000, that is with an excess of 53,000 tons to compensate for comparative antiquity of our remaining pre-Jutlands. This seemed to me not unreasonable.

We then adjourned for an hour for (? consultation) with our respective experts on the following proposal:

That in order to compensate for retention of 'Mutsu' and scrapping of 'Settsu' by Japan and for completion by America of 'Colorada' [*sic*] and 'Washington' with scrapping of 'Delaware' and 'North Dakota', Great Britain should have the choice of the following alternatives either of which was to be accepted by America and Japan.

Alternative 1. Great Britain builds two super-'Hoods' and scraps four 'King George V's' and either the 'Tiger' or the 'Repulse', subject to the disadvantage referred to above when completion of normal replacement period is entered upon.

Alternative 2. Great Britain builds two 35,000 ships and scraps four 'King George V's'.

Lord Lee and Admiral Chatfield considered that choice between these alternatives should be referred to London and as things then stood I entirely agreed with them. Subsequent developments have rendered this course unnecessary and undesirable.

See parts three and four.²

² Nos. 503 and 504 below.

No. 503

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 16, 8.30 a.m.)*

No. 168 Telegraphic [A 9342/18/45]

WASHINGTON, December 15, 1921

Part 3

Above concord¹ on examination proved acceptable to Lord Lee and Admiral Chatfield subject to one point on which my advisers laid great stress, namely, that 35,000 tons for replacement of ships should be reckoned in legend tonnage instead of American tons on which all calculations have hitherto been based. Thirty-five thousand legend tons are in excess of 35,000 tons by about two or three thousand tons. I returned to Mr. Hughes and Baron Kato to urge this point.² I pointed out that Great Britain,

¹ Amended in pencil on the filed copy to read 'conclusion'.

² For Sir M. Hankey's memorandum of this conversation, see *F.R.U.S. 1922*, vol. i, pp. 115-22.

America, and Japan as naval powers all suffered from fact that mines, aircraft and possibly submarines would continue to develop whereas by imposing a limit on size of capital ships we deprived ourselves of powers of constructional expansion to meet new menace. This disadvantage, though common to us all, fell with exceptional severity on Great Britain whose ships had to work in narrow seas where these dangers were greatest. My advisers considered 38,000 tons as essential for construction of a ship equal in gun power to latest American and Japanese ships and yet adequately protected.

It appeared, however, that figure 38,000 tons was not acceptable to American constructors who worked between 35,000 and 43,000 tons. I did not object to a 43,000 tons limit, but Mr. Hughes thought world opinion would be offended if limit were raised so high, particularly if Great Britain built the super-'Hoods'. Baron Kato favoured adherence to 35,000 tons limit. He pointed out that whatever maximum tonnage might be . . .³ was essential only to³ apportioning available tonnage between offence and defence. He attached little importance to my argument in regard to narrow seas as he thought all navies would copy us in giving protection owing to our great experience. Another point which Mr. Hughes raised was as to whether if we built two 'Hoods' tonnage limit for replacement would not have to be raised to 50,000 tons but point was not pressed and Baron Kato suggested that Great Britain, owing to sacrifices she had made, ought to be allowed to build super-'Hoods' without raising replacement limit above 35,000 tons. We then adjourned until following day for further consultation with our experts.

³ The text was here uncertain. It was amended in pencil on the filed copy to read: 'might be the problem was essentially one of'.

No. 504

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 16, 8.30 a.m.)*

No. 169 Telegraphic [A 9338/18/45]

WASHINGTON, December 15, 1921

Part 4

This morning when I met Mr. Hughes and Baron Kato, I returned to the charge about tonnage basis and fully developed argument for legend tonnage.¹ Mr. Hughes then conceded point both as regards two 35,000 ton ships referred to at end of part 2 of this telegram² and for the future computation of tonnage. He followed this concession by an earnest and very powerful appeal that we should not build 48,000 ton ships which he said would be very difficult to justify to public opinion and would be regarded as an indication of our want of confidence in peace work of this conference. After

¹ For Sir M. Hankey's record of this meeting, see *F.R.U.S.* 1922, vol. i, pp. 122-7.

² No. 502.

retiring for a few words with Admiral Chatfield I determined to abandon super-'Hoods' and accept two capital ships of 35,000 legend tons on the understanding that we would scrap four 'King George Fifth's'. In taking this *locus standi* I felt satisfied that our naval interests were safeguarded and I was personally in agreement with Mr. Hughes' arguments. I was also most anxious to avoid any further delay in reaching decision. Inevitable delay which has already occurred is producing ill-effects and, though with much reluctance, I felt compelled to take upon myself responsibility of settling the question without referring home. Complete results of our meetings are summarized in separate telegram.³

³ Washington Delegation telegram No. 166 of Dec. 15. This gave the full text of the 'official announcement on naval disarmament as cabled by Reuter tonight'. For this text, see *C.L.A.*, pp. 448-53.

No. 505

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 16, 10.30 p.m.)

No. 171 Telegraphic [A 9359/18/45]

WASHINGTON, December 16, 1921

At meeting yesterday afternoon of new-formed sub-committee on naval armaments Admiral de Bon made following statement of French delegation's views of France's ratio of capital ships.¹

France's situation was entirely different from that of the three powers whose ratio had already been settled. During the war instead of building ships and instead of repairing her fleet she had been making munitions of war. It had been calculated that she had lost 210,000,000 working days which would have been given to navy and no basis therefore existed for considering strength of French fleet. In 1914 France had 28 capital ships; 23 on the seas and 5 building which would have given her total tonnage of 694,000 tons. Her present strength owing to the war was 7 dreadnoughts and 3 pre-dreadnoughts—a total of 221,170 tons. France has been great naval power, and present navy is quite insufficient for her great mission in the world. A great people cannot accept such naval strength as sufficient. Their country and colonies had 100,000,000 inhabitants. France depended on overseas supplies from her colonies for her existence. She was bound therefore to reconstruct and rebuild navy but, despite all these overwhelming facts France was also animated by spirit that was prevailing amongst the other great powers in Washington. They cannot construct capital ships at present but they cannot agree for ever not to do so. They cannot accept tonnage basis of measurement. If they were only to have their present strength of 220,000 [tons] . . .² ships were to be at 35,000 tons, this would not

¹ For the establishment of this Committee, see *C.L.A.*, pp. 442-5. For a French report of this meeting, see *Documents Diplomatiques*, No. 70.

² The text was here uncertain: 'but their' was inserted in pencil on the filed copy.

give them a tactical unit. They must have numbers as a standard. They must keep their ten ships as their strength and after they were 20 years old they must replace them with ships of the same size as other nations. This would bring their total tonnage to 350,000 tons. They would require 1 squadron in Mediterranean of 8 ships, and one division in the channel of 4 ships, and therefore really they ought to have 12 ships. They agreed to 10 years' holiday but they had started their holiday in 1915 and therefore they must commence to replace their old (? ships) in 1925. It would be impossible for France to lay down 10 ships in 1931.

M. Schanzer, Italian delegate, then said that Italy claimed equality with France which had been admitted. They asked for minimum for purely defensive purposes. Financial situation and reconstruction of Italy imposed this on them. They were ready to accept Mr. Hughes' scheme and also naval holiday. Admiral Acton would make a technical statement tomorrow for Italian delegation.

No. 506

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 17, 8.30 a.m.)

No. 174 Telegraphic [A 9360/18/45]

WASHINGTON, December 16, 1921

It is intention of State Department to send a written communication very strongly worded to Monsieur Briand pressing him to abandon attitude adopted here by French delegation on the subject of naval disarmament.¹

Mr. Hughes' view is that if France after rendering military disarmament impossible, shatters a most promising scheme of naval disarmament her position will be one of complete isolation and her popularity with the United States will be completely destroyed.

He is, I think, prepared if all other methods fail to use financial screw. But he would regard such a necessity with extreme distaste.

¹ See No. 505. A copy of the State Department's communication was sent on Dec. 16 to the U.S. Ambassador in London for Mr. Lloyd George; see *F.R.U.S. 1922*, vol. i, p. 133. For the text, see *ibid.*, pp. 130-2, or *C.L.A.*, pp. 454-9.

No. 507

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

*No. 136 Telegraphic [F 4637/61/10]**

FOREIGN OFFICE, December 17, 1921, 6 p.m.

Your telegram No. 91,¹ and Sir B. Alston's telegrams Nos. 456 and 457.²

We are somewhat uneasy lest tariff discussion may be extended to questions which could be dealt with more conveniently and safely in China.

¹ No. 469.

² Nos. 496 and 497 respectively.

Unless quite unavoidable it seems, for example, very undesirable that any risk should be run of vital decisions being taken in these matters without due consultation with His Majesty's Legation at Peking and British traders in China, who are most conversant with the very intricate political and commercial considerations involved. See in this connection your telegram No. 154.³

So far as possible, therefore, it seems desirable, if only for technical reasons, that tariff discussions should be confined to very general questions of principle. In regard to these there has not been time to consult Board of Trade, but we are inclined to think that, pending revision of tariff up to an effective 5 per cent., it would be reasonable to concede 25 per cent. surtax, which would, according to the Chinese Legation here, only bring effective rate up from 3·7 per cent. to 4·6 per cent.⁴ As the Chinese are, strictly speaking, entitled to an effective 5 per cent., it seems doubtful how far it is justifiable to attach conditions to concession of surtax.

On the other hand, promise to use extra 2½ per cent. for productive purposes hardly seems sufficient justification for increasing effective rate from 5 per cent. to 7½ per cent., and this concession would *pro tanto* weaken our position in negotiating eventually with a more settled Government for abolition of *li-kin* and inland taxation in return for an effective 12½ per cent.

Repeated to Peking, No. 389.

³ Of Dec. 13, not printed. In this Sir J. Jordan had suggested consulting the China Association in London as there was 'such delay in obtaining views of associated chambers of commerce at Shanghai and it is most important that China traders should be consulted before any decision is taken on a matter which vitally affects their interests'.

⁴ Cf. No. 462.

No. 508

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 137 Telegraphic [F 4566/2635/10]

FOREIGN OFFICE, *December 17, 1921, 6 p.m.*

Your telegrams Nos. 134¹ and 47.²

It appears to us that the use of the word 'sovereignty' in (1) of the resolutions may turn out to be very embarrassing. In the face of this expression we might find it difficult in the future to maintain against China's will the arms embargo or even legation guards or troops on the Peking-Tientsin line. Incidents may moreover occur in which it would be necessary to resort to force in order to protect British lives and property involving a technical violation of Chinese sovereignty.

¹ Of Dec. 9, not printed. This referred to the proceedings of the fourteenth meeting of the Committee on Pacific and Far Eastern Questions on Dec. 8.

² See No. 449, n. 10. Under section (i) of this 'Root resolution' the Powers undertook 'to respect the sovereignty, independence and territorial and administrative integrity of China'.

The Anglo-Japanese alliance only guaranteed the integrity and independence of China but not her sovereignty.

The declaration moved by Sir A. Geddes³ by giving further point to the undertaking to respect the principles contained in the resolutions serves to emphasise the objection to the word 'sovereignty'.

Has this aspect been considered and can you suggest any means of safeguarding the position?

Repeated to Peking, No. 390.

³ This declaration, reported in Mr. Balfour's telegram No. 134, is printed in *C.L.A.*, pp. 1124-5.

No. 509

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 18, 9.50 p.m.)*

No. 180 Telegraphic [F 4727/61/10]

WASHINGTON, December 18, 1921

Peking telegrams Nos. 456 and 457¹ relating to Chinese tariff have been carefully considered. Full weight will be given to Sir B. Alston's views and to those of Shanghai chamber as far as circumstances permit. They will, I am sure, realise that we have to take account of broad considerations of policy which may not be fully present to the minds of the members of the Shanghai chamber. It would in the opinion of the British delegates have been impossible to meet Chinese tariff demands with refusal to grant any increase until China can fulfil the conditions of Mackay treaty, which she will probably be unable to do for some years. Such an attitude would have made the agreement with America impossible and would have powerfully encouraged movement for tariff autonomy. We therefore consider that the rise of the tariff has inevitably to be faced and that all we can attempt is to limit its amount, to secure as far as practicable its allocation to permanent works of utility, and also to obtain in return for the duty substantial relief for British trade, such as abolition of preference on land-borne traffic and abolition of coast trade duties which would maintain at least to some extent principle for which Shanghai chamber contends.

As regards Sir B. Alston's own observations there is no objection to including conservancy works at internationalization ports amongst the objects for which the tariff surplus may be used, but the question of Japanese unsecured debts raises difficult questions which are still under consideration.

Repeated to Peking.

¹ Nos. 496 and 497 respectively.

No. 510

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 20, 12.5 p.m.)

No. 464 Telegraphic [F 4750/81/10]

PEKING, December 19, 1921, 8 p.m.

Premier has resigned.

I understand that Liang-Shih-yi¹ has been given a week to form a cabinet and meanwhile Minister for Foreign Affairs is appointed acting Premier.

Repeated to Tokio.

¹ Mr. C. W. Campbell, of the Far Eastern Department, commented: 'Liang is a very astute person whose last great political work was the engineering of Yuan Shih-K'ai to be Emperor. He has been a capable puller of wires behind the scenes ever since, especially in financial matters. He is a Cantonese and it may be that the President (Hsu Shih-chang) & Chang Tso-lin, who are now said to be working together, are using him to placate the South.'

No. 511

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 19, 10.42 p.m.)

No. 182 Telegraphic [F 4749/833/10]

WASHINGTON, December 19, 1921

Wei-hai-Wei.

I regret that there has been some delay in replying to your telegram No. 81,¹ but as this subject has not come before the conference again and is not likely to be discussed for several days I hope that no harm has resulted from the delay.

I am rather surprised that you should regard the solution of Shantung question as of small importance. By American public opinion it is deemed the most critical problem of the Far East and the greatest obstacle to good relations between United States, Japan and indirectly (? England) as the ally of Japan. Negotiations for its settlement are proceeding satisfactorily but they are somewhat imperilled by the attitude which Chinese delegates, under domestic pressure, are inclined to adopt. I cannot imagine a better purpose to which Wei-hai-Wei could be put than that of smoothing the course of the difficult discussions now in progress for which its position in Shantung peninsula fits it.

Its value as an instrument for procuring what is vaguely called a general settlement is more problematical.

A general settlement in China is made up of particular settlements and each of these has its appropriate method of treatment. China has nothing to give us except honest and efficient administration and this we cannot purchase by surrendering Wei-hai-Wei. For example, to get rid of foreign post

¹ No. 475.

offices; to raise customs duties; to abolish ex-territoriality: these are the claims which in the case of every normal state would be at once conceded absolutely. In the case of China, they can only be conceded with limitations and conditions.

How can retention or abandonment of Wei-hai-Wei help us in such as these? Of course if China perversely breaks with the conference, which some persons expect, she will not get Wei-hai-Wei. But to show grudging spirit as things are at present would be to lose all influence over the course of these promising proceedings.

No. 512

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 20, 8.30 a.m.)

No. 183 Telegraphic [F 4745/2905/23]

WASHINGTON, December 19, 1921

Baron Kato made a formal call on me this afternoon in order to communicate following message from his government.

‘For the past 20 years Mr. Balfour has given his utmost consideration to Anglo-Japanese alliance which has rendered us such glorious services. On November 22nd he candidly approached our delegates as to advisability of terminating our alliance.

‘During the period of negotiations for quadruple treaty we understood that he had always held in full view, friendly relations between Great Britain and Japan. He has further intimated that these friendly relations are to become more and more consolidated even after termination of our alliance.

‘We profoundly appreciate these facts and we hope that regardless of annulment of alliance Mr. Balfour will be foremost in future in promoting further progress of existing friendship between our two nations.’

In reply I expressed my warm thanks to Baron Kato for his message. I remarked that he had not exaggerated when he said that for 20 years I had been an advocate of close relations between Great Britain and Japan. I believed that good Anglo-Japanese relations were basis of peace in the Far East. I recalled that alliance had stood the test of 20 years during which two wars had occurred each of which had brought provisions of alliance into operation with entirely satisfactory results. Treaty had only come to an end for two reasons—first, because conditions which had brought it into being had disappeared and second, because circumstances had rendered it desirable to substitute new quadruple treaty. In fact, this last development had been result of success of Anglo-Japanese Treaty.

I trusted that as a consequence of new conditions which started with quadruple treaty, peace would be established for all time in the Far East and

I expressed the hope that this would be accompanied by an ever-increasing friendship between British Empire and Japan. On these grounds I warmly reciprocated sentiments expressed by Baron Kato on behalf of Japanese government. Baron Kato stated that he would telegraph substance of my statement, of which I have given him copy, immediately to his government.

No. 513

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 20, 8.30 a.m.)

No. 185 Telegraphic [A 9501/18/45]

WASHINGTON, December [19],¹ 1921

At unanimous request of British Empire Delegation² I wrote to Mr. Hughes this morning asking for an open session not later than Wednesday or Thursday³ of this week, at which we could state our views with regard to submarines.

Mr. Hughes called on me this afternoon and in the course of an hour's conversation made the following points:

Personally he would be glad to see submarines abolished but his naval experts were against him. Advisory committee of American Delegation though strongly opposed to use of the submarine or its use against merchant ships regarded it as the only naval weapon available to a weak power with an extensive coast line and considered that it was therefore contrary to international policy to abolish it. Mr. Hughes believed that this conviction though it might be overborne by the first rush of sentiment would ultimately prevail here and he thought that any large measure of sympathy with British view would be found only in United States and not elsewhere. Japan, France and Italy would oppose abolition and would be supported by smaller nations in plenary session. Dutch had already intimated their opposition to the idea. Nations outside the conference were no more likely than those within to accept British view. He feared that French having given way about capital ships⁴ would use our proposal in regard to submarines to reverse the positions now occupied by Great Britain and France in America's estimation and to turn sympathy of the world in their favour and against Great Britain. They would say with plausibility that Great Britain having manoeuvred to reduce their strength in capital ships to negligible quantity were now depriving them of even humblest instrument of maritime defence. The strong forces out to wreck the conference would find their opportunity if we made a mistake in regard to submarines. A discussion in open conference in which

¹ The filed copy here read '18', but see n. 2 below.

² At their fourteenth meeting held on Dec. 19 at 11.30 a.m.

³ Dec. 21 or 22.

⁴ For M. Briand's conciliatory reply to Mr. Hughes's communication to him of Dec. 16 (see No. 506, n. 1), see *C.L.A.*, pp. 458-61, or *Documents Diplomatiques*, No. 78.

British Empire was isolated would weaken his hands in carrying a policy of diminishing submarines which he was prepared to press further than his naval advisers. His present idea was not to extend ratio to submarines but to insist in regard to low flat rate of about 40,000 tons as a universal limit. This would be difficult if there was a stream of hostile criticism against what would be represented as British selfishness. He urged discussion in first instance in private sittings. If proposition could not be carried he asked if it would be wise for Great Britain to appear in a role which would be plausibly misrepresented as one of self-interest. Or if America supported proposal would it be wise for two great naval powers to appear as only opponents of a method by which their weak neighbours would be (? enabled to) . . .¹ (? themselves). He favoured a resolution against misuse of submarines. While admitting that there was force in my observations that no laws of war would in crisis of a struggle prevent this he remarked that such a resolution (? would) act to some extent as a deterrent.

I did not argue general case but observed that our experts did not regard submarines as the powerful defensive weapon which popular fancy painted them.

I will forward my considered views after consultation with First Lord of the Admiralty.

¹ The text was here uncertain: 'defend' was added in pencil on the filed copy.

No. 514

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 145 Telegraphic [N 13906/134/57]

FOREIGN OFFICE, December 21, 1921, 6 p.m.

Your telegram No. 179.¹

We have strictly speaking no definite policy with regard to Siberia, but we must clearly count on the Japanese eventually withdrawing and allowing the country they have occupied to revert unconditionally to Russia. There is no reason why we need intervene in any negotiations between the Russian and Japanese Governments, but we naturally hope that any settlement they may reach, will, on the one hand, satisfy the Americans, and, on the other, be one that a reconstituted Russia will not at once try to upset. In the event of evacuation by the Japanese, the subsidiary question of the Russian refugees at Vladivostok should be taken into account. His Majesty's Government feel a certain moral obligation regarding their safety and Japan should be asked to make provision for their removal and not abandon them to their fate.²

¹ Of Dec. 19, not printed. In this Mr. Balfour had asked for an indication of the general principles H.M.G. might wish him to adopt in any discussions on 'Siberia bases', which, he thought, the Americans were 'bent on bringing . . . before Conference'.

² At their 19th meeting, held on Jan. 4, 1922, Mr. Balfour was recorded to have informed the British Empire delegation 'that the American Secretary of State was concerned over the position in Siberia, though he had made no proposal in relation thereto. He understood

that Mr. Hughes objected to the peaceful penetration by Japan, and feared that their presence there would lead to war with Russia. He had urged Mr. Hughes, if he was proposing any formula relating to Siberia, not to include any provision which would affect the independence of the States on the Western side of Russia. He had not specifically mentioned to Mr. Hughes the question of Georgia.'

No. 515

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

*No. 147 Telegraphic [F 4727/61/10]**

FOREIGN OFFICE, *December 22, 1921, 6 p.m.*

Your telegram No. 180.¹

We hope you will not depart from the policy laid down in our telegram No. 136² without previous reference to us.

¹ No. 509.

² No. 507.

No. 516

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 22, 9.50 p.m.)

No. 191 Telegraphic [A 9567/18/45]

WASHINGTON, *December 22, 1921*

My telegram No. 185.¹

After full discussion at British Empire delegation,² I decided, and have arranged with Mr. Hughes, that our case for abolition of submarines shall be stated in the first instance in committee on limitation of naval armaments. Lord Lee will state case which will be published in full. Whatever the result of discussion in committee, we shall be given an opportunity of re-stating it in open session.

¹ No. 513.

² At their fifteenth meeting held on Dec. 20 at 3.30 p.m.

No. 517

Letter from Sir M. Hankey (Washington Delegation) to Mr. Lloyd George
[Confidential/General/363/21]

Private and personal

WASHINGTON [*undated*]¹

My dear Prime Minister,

The long delays in mail communication between this country and England in winter time do impress upon one the extraordinary difficulty of maintain-

¹ An undated copy of this letter was received in the Foreign Office, where it was seen by Sir E. Crowe on Jan. 2, 1922. It appears to have been despatched from Washington on Dec. 22.

ing close touch with nations so widely separated. When one sees, as one sees every day here, an immensely powerful Press, part of which is malignant and part indifferent towards Anglo-American relations, and when one appreciates the difficulty of keeping contact even between the Delegation and the Government, one cannot but feel some misgivings as to the difficulty of avoiding future misunderstandings. Perhaps, however, the best guarantee that we shall overcome any such misunderstandings is to be found in the past.

It really seems an age since I last wrote and a good deal has happened in the interval. The Quadruple Agreement has been signed,² the Japanese ratio and the main heads of the agreement in regard to capital ships has been settled, and announced,³ and the French have apparently accepted their ratio in regard to capital ships, though their attitude is still ambiguous. At one moment it looked as if all the outstanding questions would be cleared up rapidly and we should get away by the end of the year as we had designed. This week, however, there have been sudden unexpected and serious set-backs, which will involve us in remaining here for at least two or three weeks longer. First the question of the 'Mutsu' put us back more than a week⁴ and then the astonishing and inexplicable French attitude with regard to capital ships has put us back another week.⁵ Finally, the day before yesterday evening we received a staggering blow. The Shantung negotiations, which appeared to be nearing a settlement, were suddenly interrupted by the Japanese on the grounds that they must refer home for further instructions. That means at least a week's delay, owing to the slowness of communication.

I have never concealed from you in these letters that I believe Shantung to be the key to the whole situation. If the Shantung negotiations fail, it makes the passage of the Quadruple Arrangement through the Senate very much more perilous. If the Quadruple Treaty should be thrown out by the Senate, I think it doubtful whether the Japanese would adhere to the 60 per cent. ratio. Indeed, if the Senate threw out the Quadruple Treaty, I doubt if they would accept the naval arrangement either. Hence, it is absolutely vital to get a settlement on Shantung. I have every hope and belief that this will be accomplished, but I am afraid it is going to take a good bit longer than we originally calculated for. In the meantime, Mr. Hughes considers that we cannot get on with the China negotiations. In these negotiations Mr. Root told Mr. Balfour and myself that his idea is to head for a treaty somewhat on the lines of the draft we attached to our Despatch No. 1.⁶ All these delays tend towards making the passage of the Quadruple Treaty through the Senate more stormy and every incident is seized on by the Treaty's opponents to make further capital. Only Tuesday⁷ night President Harding, who sees the journalists *en masse* once or twice a week, was trapped into making a statement to the effect that the Quadruple Treaty does not apply to the main islands of Japan. As you are aware, this very

² See No. 499.

⁴ See Nos. 484, 494, 495, and 501-4.

⁶ No. 415, enclosure 2.

³ See No. 504, n. 3.

⁵ See Nos. 505 and 506.

⁷ i.e. Dec. 20.

point had delayed us for about twenty-four hours in the conclusion of the Quadruple Treaty, and after Baron Shidehara had expressed the desire that the main islands should be included, the wording had been so arranged as, in legal opinion, to leave the question beyond doubt.⁸ I hear that the question to President Harding was a written one, but it seems that he replied without consulting the State Department. The result was a regular mess-up and Harding had to issue a communiqué to the effect that the interpretation of this clause would not affect the passage of the Quadruple Treaty through the Senate. As, however, the Press here is already accusing Senator Lodge, who is in charge, of having concealed the fact that the Treaty applied to the main islands of Japan, I have no doubt that a good deal of capital will be made of the point. The curious thing is that Mr. Hughes, during the negotiations, showed considerable desire that the main islands should be included.

Altogether, we are rather at the mercy of the American political situation and the difficulties of the constitution. Fancy a Parliamentary machine where Ministers cannot go down to the House and defend their policy. That is the case here. They can defend it in Committee, but not before the House.

Nevertheless, I have as yet heard no suggestion that there is any risk of rejection of the Quadruple Treaty, though my personal opinion is that a definite breach in regard to Shantung, especially if the fault were with Japan, would entirely change the situation.

The shade of Lafayette is very poorly at present. Some think it is *in extremis*, others that it is dead. Briand, in his great speech at the beginning of the Conference against the inclusion of military armaments,⁹ dealt poor Lafayette a staggering blow. Viviani, by being extraordinarily rude to all the ladies in Washington in regard to the Conference and things in America generally, added considerably to what Briand had done. The first refusal of the French to accept the ratio proposed by the United States, and their demand for ten capital ships of 350,000 tons,¹⁰ appeared to have removed the last remnant of French popularity. The Delegates at the Conference and the Secretariat cannot abide the French haggling methods. Sarraut¹¹ and de Bon made matters worse yesterday. Hughes had just read Briand's telegram accepting the capital ship ratio. Sarraut then said that de Bon would get up and make a statement in regard to the application of the principles to the French Navy. De Bon thereupon demanded six instead of five ships to begin building in 1927, with four years for their completion, and no decision on capital ships until a decision was reached on the whole naval problem. This has irritated the Americans more than ever, although it has not leaked out in the Press.

Riddell put down the most terrific Press barrage that has ever been seen, on the original French claim for 350,000 tons. I almost think he overdid it,

⁸ See No. 487.

⁹ For an earlier reference to this speech see No. 439.

¹⁰ See No. 505.

¹¹ M. Albert Sarraut, French Minister of the Colonies and a member of the French delegation to the Washington Conference.

though no doubt it contributed towards the French climb-down. It really was an amusing performance. I am told by people who know this country that there was never quite such a barrage put down even on the Germans by the American Press.

Riddell is leaving us to-day and will be a very serious loss indeed.¹² I do not think it is an exaggeration to say that our Press supremacy will now vanish. The combination of a British peer and a newspaper proprietor, to say nothing of his personality, was altogether too much for the Americans and he could just put over them what he liked. He acted very independently. For example, he put down the Press barrage on the French on his own. He used to talk to me every morning—certainly to my advantage, and I hope to his. He did not always take my advice, but he did so usually. He spent nearly every Sunday in the pulpit at Presbyterian churches!

I am not looking forward with any pleasure to the next two or three weeks. It seems to me that our position in regard to cruisers, auxiliaries, submarines, etc. is much harder than it was in capital ships. All we know is that we shall be beaten in regard to the abolition of submarines. After that, I am not clear at the moment of writing that we know exactly what we are making for, except that, if submarines are retained, we must insist on a free hand in anti-submarine activities.

I am probably disappointed at not getting home so soon as I had hoped and perhaps this has tended to give my letter a less sanguine tone than usual. My feeling is that we shall get through all right, but that there are a lot of troublesome details to clear up which will take longer than we had originally calculated.

It will amuse you to know that during all the negotiations for the Quadruple Treaty and the capital ship ratio, I have been acting as sole Secretary to a Council of Three or a Council of Four as the case might be, although the Japanese had an interpreter-secretary, but I have not given them my notes. As regards America and Great Britain, however, my notes hold the field. Hughes brought in a Secretary for the last two meetings, but so far, he has accepted all my stuff. Meeting as we have done in Mr. Hughes' private room, and listening to Mr. Hughes' delivering speeches with that strange mixture of high moral purpose and practical bargaining, which I had always thought peculiar to President Wilson, I have to rub my eyes to know if I am not back in the old rooms in Paris. But your absence just makes the difference. In spite of the total physical dissimilarity, Mr. Hughes' mind is in some respects so like President Wilson's that Mr. Balfour nearly always unconsciously refers to Hughes as 'Wilson'. In fact, he does it so often that I have ceased to correct him. Hughes is a heavy-weight with little subtlety.

¹² Lord Riddell had originally booked his return passage to England for Dec. 13. In his telegram No. 104 of Dec. 5 (not printed) Mr. Balfour had informed Mr. Lloyd George that he regarded Lord Riddell's 'continued assistance' as 'almost essential in critical stages of conference ahead of us' and had suggested that a personal appeal from Mr. Lloyd George would induce him to stay on in Washington. Mr. Lloyd George had cabled accordingly on Dec. 7 (cf. *Lord Riddell's Intimate Diary of the Peace Conference and after*, p. 343) and Lord Riddell remained in the U.S.A. until Dec. 22.

He delivers terrific speeches with the argument solidly built up, exactly as though he were addressing a jury. It is curious to watch the play between him and Mr. Balfour—rather like a man with a club fighting a man with a rapier. But it is a very friendly contest and the tone is always quite admirable. It is not always so with the French, and Mr. Hughes slogs about with the club without the smallest compunction. You would love to hear him talking like a Dutch Uncle to the French, in full Commission of the Conference. Admiral de Bon spoke some home truths the other day. 'We French', he said, in effect, 'after Great Britain, are more dependent than any other Power on our sea communications. We require imports, and have many colonies. But look at you Americans! Happy country! Self-supporting, independent of maritime communications, intangible. You have no such need of a Navy. You talk of your high moral principles and we agree with you. But you staggered the world when you brought in your great naval programme at a time when everyone else was exhausted and deadbeat by the exertions of the War!'¹³ Of course, he did not use those words, but his meaning was perfectly clear. Personally, I am glad that these things were said, for they ought to be said. Anyhow, Hughes took jolly good care that there was no publicity that day, so that it never leaked out.

I suppose it is for the same reason that Hughes is so anxious that we should not raise the question of submarines in open session. He does not want the moral position of the United States to be put in question in public session.

Yours ever,

M. P. A. HANKEY

¹³ See No. 448, n. 2.

No. 518

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 150 Telegraphic [F 4749/833/10]

FOREIGN OFFICE, *December 23, 1921, 9.30 p.m.*

Your telegram No. 182.¹

You are labouring under a misapprehension in supposing that we attach little importance to the Shantung question. On the contrary we have always regarded it as of the first importance. We do not, however, regard Wei-hai Wei as strictly speaking forming part of that question merely because it happens to be geographically situated at the far end of the peninsula. Briefly stated the Shantung problem resolves itself into the question whether Japan shall or shall not be allowed to remain in sole possession of one of the most important means of peaceful economic penetration into the vitals of China. The crux of that problem is the railway. None of the considerations which apply to the Shantung problem as thus understood enter into the question of the restitution of Wei-hai Wei, from which it is politically and

¹ No. 511.

economically distinct, except in so far as Kiaochow forms part of the general question of the surrender of leased territories. It seems to us unreasonable that we should be called upon to surrender Wei-hai Wei to China solely in order to facilitate a settlement, the main advantages of which will accrue to China and the main credit for which will accrue to the United States of America.

I do not know how far we are committed but so long as you keep steadily in view our principal object of an honest and efficient Chinese administration, from which should flow such tangible results as the disbandment of troops, unification of the railways, and the reform of the currency, the use to which Wei-hai Wei is put in the negotiations must be left to your discretion. Our main point is that if we are to make so substantial a concession to China, it is China who ought to make some return.

No. 519

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 24, 8.30 a.m.)
No. 196 Telegraphic [F 4799/61/10]

WASHINGTON, December 23, 1921

Your telegram No. 147.¹

Following is draft of rough outline of agreement respecting tariff which after prolonged discussion with other delegations has been prepared by special sub-committee of British Empire delegation appointed for the purpose.

Begins.

Powers attending conference agree:

1. That immediate steps be taken through a special commission representing China and other powers attending this conference to prepare the way for speedy abolition of *likin* and fulfilment of other conditions laid down in article 8 of Anglo-Chinese commercial treaty of September 5th 1902 and corresponding articles of United States and Japanese treaties. Powers here detailed agree that, so long as these conditions are observed, provisions of article shall be binding on them including raising of import duties to 12½ per cent. *ad valorem*.

2. That present tariff on importation shall be forthwith revised and raised to basis of 5 per cent. effective.

Revision shall be carried out forthwith by a revision committee at Shanghai on general lines of last revision. Revision shall proceed as rapidly as possible and revised tariff shall become effective two months after publication without awaiting ratification.

3. That until provisions of paragraph 1 come into operation and except while they are in force following *interim* provisions shall apply.

(1) In addition to effective 5 per cent. import duty all foreign dutiable

¹ No. 515.

goods on importation (? shall) pay a surtax equivalent to $2\frac{1}{2}$ per cent. *ad valorem* as from such date as special commission mentioned in paragraph 1 shall approve after they have framed a scheme in accordance with paragraph 5.

(2) Surtax may be increased up to limit not exceeding $7\frac{1}{2}$ per cent. *ad valorem* to be fixed in each case by special commission in respect of certain articles of luxury which in their opinion can bear such increase without unduly impeding trade.

4. Chinese government undertake as a . . .² towards reducing burden of internal taxation on trade to abolish coast trade duties. They further undertake to take immediate measures for progressive diminution of other forms of internal taxation which at present hamper trade.

Compensation for cost of these measures to Chinese government will be provided out of tariff surplus in accordance with paragraph 5.

Results of above measures will be reviewed by committee charged with next succeeding revision of tariff, which will at recommendation of Governments concerned . . .² a further increase in import tariff, if in their judgment this is warranted by reductions of internal taxation, already accomplished and (? impending).

5. That while interim provisions are in force revenue derived from customs duties and surtaxes shall, after meeting obligations now secured thereon, be allocated under a scheme to be framed by special condition [? commission] mentioned in paragraph 1, which scheme shall make equitable and reasonable provisions within such limits and in such priority as commission may determine for following purposes.

(a) Service of such classes of short-term loans as commission may decide.

(b) Compensation for reduction of internal taxation effected under paragraph 4.

(c) Free revenue to Chinese Government.

(d) Permanent and economic development in China.

6. (1) That there shall be a further revision of tariff to take effect at the expiration of 4 years following the completion of immediate provision herein authorised in order to ensure that rates shall correspond to *ad valorem* rates fixed.

(2) That following this revision there shall be periodical revisions of tariff every 7 years for same purpose.

7. That present administration system of customs shall not be disturbed.

8. That there shall be effective equality of treatment and of opportunity for all nations, parties to this agreement.

9. That reductions now applicable to customs duties collected on goods imported into and exported from China by land shall be abolished.

10. That charge for transit passes shall be at rate of $2\frac{1}{2}$ per cent. *ad valorem*, except when arrangements contemplated in paragraph 1 are in force.

11. That Treaty Powers not here represented shall be invited to accept present agreement.

² The text is here uncertain.

12. That this agreement shall override all provisions of treaties, between China and the powers which accept it, which are inconsistent with its terms.

I shall be glad to receive observations of Foreign Office and Board of Trade at your earliest convenience.

Repeated to Peking for repetition to Tokyo.

No. 520

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received December 25)

No. 472 Telegraphic [F 4811/51/10]

PEKING, December 24, 1921, 9.15 p.m.

My telegram No. 455.¹

In spite of repeated promises by Minister for Foreign Affairs, no effective action has been taken by local authorities at Amoy to suppress agitation, and boycott continues, principally under the auspices of students.

I have told Minister for Foreign Affairs to-day that unless he can produce within the next few days definite cessation of the above, I shall have to inform His Majesty's Government that Chinese Government are deliberately tolerating an unfriendly attack on British interests and recommend that a claim for damages be filed.

¹ No. 491.

No. 521

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 26, 8.30 a.m.)

No. 200 Telegraphic [F 4800/2905/23]

WASHINGTON, December 25, 1921

Japanese ambassador informed me tonight that owing to crisis raised in United States press regarding inclusion of main islands of Japan within the scope of the Quadruple treaty¹ a certain sensitiveness was manifesting itself in Japan. He had already mentioned this to Mr. Hughes who still thought inclusion should be adhered to as any departure from original scope of treaty might weaken it and thus strengthen opposition in the Senate; and maintained that he and his colleagues of American delegation were confident of ratification by the Senate.

I assured His Excellency that so long as nothing were done derogatory to status of Australia and New Zealand as component part[s] of the British

¹ Cf. No. 517, para. 3.

Empire I was perfectly prepared to fall in with any arrangement which he and Mr. Hughes might regard as likely to make ratification of the treaty easier.

His Excellency then enquired as to date of ratification.

I stated that I was ignorant of His Majesty's Government's wishes but that I personally favoured early ratification which had the additional advantage of showing the world at large that in the unfortunate event of non-ratification by Senate, His Majesty's Government at least had done their utmost to bring treaty into force. I promised to enquire and should be glad to learn as soon as possible approximate date of ratification contemplated by His Majesty's Government.

Japanese ambassador made no secret of his apprehension that Senate might make their ratification conditional on a reservation excluding main islands of Japan from operation of treaty.

Such action might well be regarded by Japanese government and people as derogatory to their national dignity.

I gather impression that it was largely on this account that he had felt impelled to reopen this point with Mr. Hughes.

To sum matter up I gather that Japanese people as represented by His Excellency are inclined to regard inclusion as an injury and exclusion, if due to Senate, as an insult.

Repeated to Peking for repetition to Tokyo.

No. 522

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

*No. 152 Telegraphic [F 4796/2905/23]**

FOREIGN OFFICE, *December 26, 1921, 5.15 p.m.*

Italian Ambassador informed us on the 21st instant that his Government would be grateful if His Majesty's Government would despatch instructions to their delegation at Washington to facilitate the accession of Italy to the Quadruple Treaty. Grounds given for Italian request are:

1. Her prestige will suffer from exclusion.
2. Italy will be less well placed for intervention in the event of the controversies provided for in the treaty spreading beyond the limits of the Pacific.
3. Italy claims territorial interests in the Pacific, apparently in virtue of the fact that she was one of the Powers who conferred the mandates.¹

We would propose a reply to the following effect:

'The question of the inclusion of Italy in the Quadruple Treaty relating to the Pacific was carefully considered at Washington, and it had been under-

¹ For a similar Italian representation to the U.S. Secretary of State, see *F.R.U.S. 1922*, vol. i, pp. 39-40.

stood that the Italian delegate, Signor Schanzer, appreciated the powerful considerations which made the inclusion of Italy impracticable.² These reasons, which appear to be of an insuperable character, may be briefly stated as follows:

'Firstly, the Quadruple Treaty is a development of the Anglo-Japanese Agreement of 1911. If it were extended beyond a four-Power treaty its value as a substitute for this agreement would be so very seriously impaired as to make it politically ineffective for the purpose.

'Secondly, as Italy has no direct responsibilities in the Pacific, it would be impossible to justify her inclusion without opening the way to requests for inclusion by other countries, such as the Netherlands, Belgium and Portugal, which have large territorial and economic interests at stake.

'Thirdly, from a practical point of view, even a treaty involving consultation between four Powers will be liable to be somewhat cumbersome in its operation. The inclusion of a fifth, and possibly of more Powers, might well make it unworkable.

'In conclusion, the Italian Government might be assured that the inclusion of Italy was impossible only for the reasons given above, and was due to no failure to appreciate the importance of Italy as a world Power and the contributions which she can make to the maintenance of the peace of the world. It was, indeed, in recognition of the position of Italy as a Great Power that Signor Schanzer was formally notified by Mr. Hughes and Mr. Balfour in the strictest confidence of the nature of the quadruple treaty under negotiation. Gratitude might, then, be expressed for the helpful and disinterested attitude which the Italian Government adopted at Washington.'

If you and the other delegates concerned concur, you should ask Mr. Hughes whether he, as chairman of the conference, will deliver the above reply.

² See Nos. 480, n. 5, and 483.

No. 523

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 28, 10 a.m.)*

No. 201 Telegraphic [F 4835/61/10]

WASHINGTON, December 27, 1921

My telegram No. 196.¹

As a result of informal discussion with other delegations, paragraphs three, four and five of draft have been eliminated and following substituted in place:

'That interim provisions to be applied, until articles referred to in paragraph (? 1) come into force, and except while they are in force, be considered

¹ No. 519.

by aforesaid special conference which shall be empowered to authorize the levying of a surtax on dutiable imports as from such date and subject to such conditions as they may agree to. Surtax shall be at uniform rate not exceeding 2½ per cent. *ad valorem* except in case of certain articles of luxury which in the opinion of the conference can bear a greater increase without unduly impeding trade.'

This is to be regarded as rough outline only, and subject to modification in detail.

Please inform Board of Trade.

Repeated to Peking for repetition to Tokyo.

No. 524

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 28, 7.30 p.m.)

No. 202 Telegraphic [F 4855/2635/10]

WASHINGTON, December 28, 1921

Your telegram No. 137.¹

There is sure to be wide difference between 'guaranteeing' sovereignty of China and merely 'to respect' it, which is all that No. 1 of Root resolutions lays down.²

As to arms embargo, that is merely an arrangement made mutually between powers precluding their nationals from supplying to China all supplies of arms &c. until such time as she sets her house in order. There is nothing in that derogatory to Chinese sovereignty. Are we not about to do precisely the same thing *vis-à-vis* whole world in the matter of building war-ships for foreign governments?

As to legation guards, it has been made perfectly clear throughout discussions of conference that China does not challenge any right specifically granted by treaty; and North China garrison is fully covered by final protocol of 1901.³ American delegation (Mr. Root) has explicitly stated, and conference has tacitly admitted, that acknowledgment of China's rights involves as a corollary that her obligations under earlier treaties are still binding.

As regards possibility of future resort to force to protect foreign life and property, there seems no cause for uneasiness. Should case at any time arise and Chinese authorities be unable to supply necessary protection, I do not conceive that any power would consider themselves precluded under resolution from taking such necessary and justifiable measures as were open to them.

Sent to Peking for repetition to Tokyo.

¹ No. 508.

² See No. 508, n. 2.

³ See *B.F.S.P.*, vol. 94, pp. 686-715. Cf. No. 409.

No. 525

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received December 31, 8.30 a.m.)

No. 210 Telegraphic [F 4884/61/10]

WASHINGTON, December 30, 1921

My telegrams Nos. 196 and 201.¹ Chinese tariff.

Agreement substantially the same as draft communicated to you in telegram No. 196 as amended by No. 201 was unanimously approved at sub-committee of all delegations on December 26th except that French made reservation regarding abolition of preference on land-borne goods (paragraph 9 in telegram No. 196). This reservation will be discussed in full committee.

Words have been introduced in paragraph 2 providing for tariff revision being completed if possible within four months of conclusion of this conference. Total surtax on articles of luxury in paragraph communicated in my telegram No. 201 has been limited to 5 per cent. In the same paragraph words 'not exceeding' have been omitted. Other changes immaterial.

Report embodying agreement is now being prepared by Senator Underwood, chairman of sub-committee.²

Repeated to Peking for repetition to Tokyo.

¹ Nos. 519 and 523.

² Democratic leader of the U.S. Senate and a member of the U.S. delegation to the Washington Conference.

No. 526

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received January 1, 1922, 12.30 p.m.)

No. 481 Telegraphic [F 4/4/10]

PEKING, December 31, 1921, 11 a.m.

My telegram No. 472.¹

Minister for Foreign Affairs having communicated to me text of indefinite and unsatisfactory instructions sent by him to provincial governor after our interview on December 24th, I informed him that his refusal to give expression in these instructions either to valid existing agreements or to disapproval of boycott agitation confirmed me in my belief that the Chinese government were deliberately tolerating this unfriendly attack on British interests. I saw the premier December 27th, handed him copies of the agreements of 1878 and 1900,² and reported failure of Minister for Foreign Affairs to afford

¹ No. 520.

² The Agreement of March 1878 related to the reclamation of the foreshore at Amoy; the Agreement of April 1900 to the building of a flying bridge by Messrs. Butterfield & Swire to connect their hulk with the reclaimed foreshore facing their concession lot.

me any satisfaction or to make any honest effort to deal with the agitation despite his promises repeated during nearly two months' continuous negotiation.

Premier, while professing that there was no desire to refuse recognition of agreements or protection to British interests, repeated Minister for Foreign Affairs' request that construction should be suspended pending a settlement by further discussion. I declined to continue to negotiate under threats dictated by student agitation and claimed that Chinese government must now admit either their inability to control their own officials, or their connivance at an unfriendly act. He then agreed to consult Minister for Foreign Affairs and inform me what more could be done and I warned him that unless immediate steps were taken by local authorities to prohibit boycott and arrest those agitators who have been guilty of outrages on Butterfield's workmen I should be unable to attend President's reception on January 1st.

As no satisfactory information has since reached me I have now formally requested Minister for Foreign Affairs to inform President of my reasons for absenting myself and to convey expressions of my regret.

In the present state of China boycott weapon is liable to be used by student agitators on any pretext and unless resisted may do serious injury to our interests. In present case Butterfield's London office are pressing local manager to suspend work on bridge immediately in order to stop loss of trade, but I have declined to agree in view of principle at stake.

I would therefore request authority to file a claim against Chinese government for losses incurred and if Butterfield insist I could then arrange for suspension of work for a fixed period pending joint visit to Amoy by representatives of this legation and Chinese government.

According to Peking telegram No. 5A of Jan. 4, 1922 (not printed) when this bridge 'had to be removed owing to damage by storms in 1910 Taotai [i.e. the local Chinese Intendant] by exchange of letters with His Majesty's Consul agreed to its re-erection at any future date convenient to the firm. For the agitation which had followed Messrs. Butterfield & Swire's decision in May 1921 to rebuild the flying bridge, damaged by storms in 1910, see No. 491,

No. 527

*Lord Hardinge (Paris) to the Marquess Curzon of Kedleston
(Received January 1)*

No. 984 Telegraphic [A 2/2/45]

PARIS, December 31, 1921, 7.20 p.m.

It has for some time been arguable that French insistence on submarines contains a considerable element of bluff and is really intended to provide a bargain counter, however much the actual outcry may be supported by writers of imperialistic tendencies: another way of stating case is to say that French, desperately anxious for a British guarantee against German attack,

are not prepared without this advantage to come to terms on submarine question. This point is made in press for the first time today in an article by Millet¹ and perhaps deserves notice.

¹ M. Philippe Millet of the *Petit Parisien*.

No. 528

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

*No. 1 Telegraphic [F 4/4/10]**

FOREIGN OFFICE, *January 2, 1922, 7 p.m.*

Your telegram No. 481¹ and your private telegram to Sir William Tyrrell.²

I entirely approve your attitude, and I authorise you to file provisional claim at your discretion.

In this morning's 'Times' an account of the incident is given in which it says, *inter alia*, Messrs. Butterfield have been boycotted, their employees tarred and feathered, their ears cut off and other indignities inflicted on the British generally, thanks to the students' agitation which the local authorities do not attempt to curb.³ Please report facts, and whether British subjects are involved.

(Repeated to Washington Delegation, No. 162.)

¹ No. 526.

² Not traced in Foreign Office archives.

³ *The Times*, Jan. 2, 1922, p. 10.

No. 529

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 5)

*No. 221 Telegraphic [F 95/1/23]**

WASHINGTON, *January 4, 1922*

My telegram No. 42.¹

M. van Karnebeek called on me on 12th December after acceptance of four-Power treaty, and called my attention to feeling which would be created in the Netherlands by the fact that Dutch possessions in the Far East would alone remain unprotected by any sort of guarantee.

To remedy this defect he gave me draft of treaty to be concluded by the four Powers, together with Belgium, China, Italy, Netherlands and Portugal,

¹ Of Nov. 19, not printed. In this Mr. Balfour had reported a visit from M. van Karnebeek, the Netherland Minister for Foreign Affairs and leader of the Netherland delegation to the Washington Conference, who had insisted on 'the importance of submarines from the point of view of Dutch colonies'.

expressing determination of each to respect the integrity of the other's territorial possessions in the region mentioned.

His formula was open to obvious objections, and various solutions have since been proposed; but all have been rejected, either through intrinsic defects or because there would be little hope of ratification by Senate.

On 3rd January, however, Mr. Hughes mentioned to me proposal originating with M. van Karnebeek, which he (Mr. Hughes) was ready to accept.

It consisted in simultaneous, but independent, presentation at The Hague of an identic note by the United States, His Majesty's Government, France and Japan, expressing the intention to respect Dutch possessions in the Pacific (for text see my immediately following telegram).²

Only objections I raised were:

1. That such a declaration was superfluous.
2. We could hardly refrain from making similar declaration with regard to insular possessions of Portugal—our oldest ally.

Mr. Hughes at first demurred that we could not deal with such trifles as Timor but after discussion indicated that if Portugal made any point of being included he saw no reason against it.³

Please telegraph as soon as possible whether Cabinet agree to identic note.

² Of Jan. 4, not printed. This draft is printed in *F.R.U.S. 1922*, vol. i, p. 41, and is substantially the same as the note eventually agreed upon, for which see Cmd. 1627 of 1922, No. 10.

³ A memorandum by Mr. Balfour of his conversation with Mr. Hughes (not printed) was transmitted to the Foreign Office under cover of Washington Delegation despatch No. 106 of Jan. 11.

No. 530

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received January 6, 8.30 a.m.)
No. 6 Telegraphic [F 112/4/10]

PEKING, *January 5, 1922, 2.15 p.m.*

Your telegram No. 1.¹

Boycott of Messrs. Butterfield and Swire commenced at Amoy on November 7th contrary to real wishes of Chinese merchants who admitted that they were helpless in face of students' declared intention of terrorising any Chinese working for the firm.

On November 19th Chinese foreman was attacked and had one ear cut off as a warning at a time when both Commissioner for Foreign Affairs and Taoyin² were absent from Amoy leaving no responsible Chinese official in charge. Scurrilous pamphlets in English. . . .³ His Majesty's consul by name

¹ No. 528.

² i.e. the Intendant of Circuit, a subordinate of the provincial Governor.

³ The text is here uncertain.

were circulated broadcast by local society formed to promote agitation whose representatives in Peking are in close touch with Wai-Chaio-Pu [sic].⁴

On December 10th, His Majesty's consul was refused lighterage for his private effects from consulate to Butterfield's warehouse, and Chinese, who eventually hired him a lighter, was tarred and beaten by students.

On December 16th lighters were not allowed to coal H.M.S. 'Hollyhock' until permission of Chinese chamber of commerce had been obtained.

On December 21st, both Chinese officials being again absent from Amoy, two of Butterfield's Chinese employes were arrested and no explanation has yet been obtained from Chinese officials.

Agitation has naturally received immense encouragement from local official attitude as revealed by above acts and has thus been enabled to spread as far as Hankow, Bangkok and Manila. Here, my own offer to concede non-essential points and my repeated personal appeals to Minister for Foreign Affairs that Chinese government should at least express publicly disapproval of agitation and deal with perpetrators of outrages against innocent parties, have met with reception which can only be described as unfriendly.

No British subject in employment of Butterfield and Swire involved.

⁴ Waichiaopu, the Chinese Ministry of Foreign Affairs.

No. 531

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 6, 8.30 a.m.)

No. 225 Telegraphic [F 105/69/10]

WASHINGTON, *January 5, 1922*

After an interval of over a fortnight, Shantung conversations were resumed on January 4th.

Japanese delegation announced that they had received instructions from Tokio which were to the effect that though Japanese Government were willing to give up scheme of a joint enterprise for railway they insisted on negotiations of a loan agreement.

Chinese delegation have not so far accepted such an agreement but general impression left on the minds of foreign observers was that they would ultimately agree to do so, so long as term of loan is not too long and option period for early redemption is made to accord with their ideas. It is however too early to form any definite opinion as to prospect of a satisfactory settlement.

It has been forcibly impressed on both Japanese and Chinese delegations that it will be in the highest degree unfortunate if they fail to reach a settlement prior to my departure for home on January 14th.

Sent to Peking for Tokio.

*Note of a conversation between Mr. Balfour and Baron Kato on Wednesday,
January 4, 1922, at 4 p.m.¹*

[F 366/69/10]

Secret

WASHINGTON, January 5, 1922

BARON KATO called at Mr. Balfour's apartment by appointment and at Mr. Balfour's request. Baron Kato was accompanied by Mr. Ichihashi, his interpreter, and Mr. Balfour was accompanied by Sir Maurice Hankey.

MR. BALFOUR told Baron Kato that Mr. Root had called on him the previous afternoon and had asked him if he would see the Baron in order to discuss the question of the arming of merchant ships. Mr. Root had been rather disturbed at a remark which Baron Kato had made at one of the meetings of the Committee on Limitation of Naval Armament, to the effect that some limitation ought to be imposed on the arming of merchant ships.² As Mr. Root was most anxious to get his Resolutions in regard to submarines through the Committee as soon as possible, he had asked Mr. Balfour to ascertain whether Baron Kato was going to press this point, and he himself had undertaken to do this partly because he shared Mr. Root's desire for the passage of the submarine resolutions and partly because of the general interest of the question to the British Navy.

BARON KATO said that when he had made this remark at the Committee on Limitation of Naval Armament, he had had in mind that the limitation of size of cruisers to 10,000 tons, and their armament to 8-inch guns, ought to be accompanied by some corresponding limitation in regard to merchant cruisers. Otherwise, it might be possible for large merchant ships to be built with subsidies which would, in time of war, become very powerful cruisers. However, he understood that the question would shortly come before the experts and he thought it was essentially an expert question.

MR. BALFOUR agreed that the subject was suitable for discussion by experts. He reminded Baron Kato, however, that armed merchant ships of great size were an easy prey to light cruisers, for which they were no match. They were very vulnerable and their size made them an easy target. He recalled that the 'Mauretania' and 'Lusitania', which had been subsidised before the War as armed merchant auxiliaries, had not been retained very long as cruisers during the War, owing to their great cost, the limitations on their use owing to the fact that they could enter comparatively few harbours, and their vulnerability.

¹ This note was transmitted to the Foreign Office as an enclosure in Washington Delegation despatch No. 103 of Jan. 12, received on Jan. 24. Sir M. Hankey in a covering minute recorded that it had been 'compiled partly from memory and it has only been partially checked by those who took part and should, therefore, on no account be quoted in any official document or statement'.

² For this suggestion, made at the thirteenth meeting of the Committee on Limitation of Naval Armament on Dec. 30, see C.L.A., pp. 666-7.

BARON KATO agreed in this and said he fully realised the importance of the question to the British Empire. What he himself particularly desired was to have arguments which he could present to his Parliament, where he expected to be pressed on this question. Public opinion was not well educated on these matters and was under the impression that large merchant ships could be readily converted into powerful cruisers. He must be able to deal with this question when he met the Japanese Parliament. He thought the best plan would be for Admiral Chatfield to discuss the matter in the first instance with Rear-Admiral Kato.³

MR. BALFOUR agreed to this.

BARON KATO then said that Rear-Admiral Kato would produce very strong arguments and might press Admiral Chatfield very hard on the subject. He wished to warn Mr. Balfour of this. He hoped Admiral Chatfield would then give the strongest reasons he could, but he thought that perhaps some agreement might be reached. He made it quite clear that in the last resort, if agreement was not reached, he would take the decision in his own hands. (It was fairly plain that he did not mean to press the question in Committee to our inconvenience.)

MR. BALFOUR then instructed Sir Maurice Hankey to arrange for Admiral Chatfield to discuss the question with Rear-Admiral Kato.

Mr. Balfour then asked Baron Kato if there was any other subject he would like to discuss and the Baron replied that he would like to say a word or two about the Quadruple Alliance and Shantung.

BARON KATO said that there had lately been a strong movement in Japan *The Quadruple Alliance* against the inclusion of the main islands of Japan in the Quadruple Alliance. He himself felt that this question did not matter much one way or the other, but the Japanese Government, which was about to face a difficult Session of its Legislature, was evidently very desirous to remove this question from the region of controversy, and it had gone so far as to send instructions to the Delegation in this sense. The Japanese Delegation had accordingly written to the Secretary of State on the subject.

MR. BALFOUR said he had seen the letter to [? from] the Japanese Delegation.

BARON KATO said he would like to feel sure of Mr. Balfour's good offices in this matter.

MR. BALFOUR said that he had already informed Baron Shidehara that the British Government would raise no difficulties in the exclusion of the main islands of Japan.⁴ He had had his own experiences of Parliamentary difficulties and he fully appreciated the position of the Japanese Government and would do all he could to assist.

³ Vice-Admiral Hiroharu Kato, member of the Naval Section of the Japanese delegation.

⁴ In his telegram No. 224 of Jan. 5 (not printed) Mr. Balfour informed Lord Curzon that 'after consultation with Imperial Delegates' he had told both the American and the Japanese delegations that H.M.G. would raise no objection.

BARON KATO then said a word or two about Shantung. He himself only had a general knowledge of this question as the negotiations had been conducted by Baron Shidehara and Mr. Hanihara. His main difficulty had been to make the Japanese Government realise the position at Washington. To this end he had sent a telegram every day dealing not only with the main considerations bearing on this issue, but also with subsidiary matters. The fact was he found it extremely difficult to give the Government at Tokio a real impression of the situation. He himself had experienced the same difficulty during the Peace Conference at Paris. The daily telegram had not really conveyed the position to him, which he had only fully appreciated after the return of the Japanese Delegates, when he had talked the matter over with them. He was, however, hopeful that a solution might soon be reached and he believed that a meeting was to take place that afternoon at 6 o'clock. One of the difficulties of these negotiations had been the characteristics of the Chinese Delegates. The effect of one concession on their minds had always been for them to demand yet another concession, and this had compelled the Japanese Delegates to adopt rather a bargaining attitude.

MR. BALFOUR thanked Baron Kato for what he had said and remarked that although the Quadruple Treaty and the question of Shantung appeared at first sight to be as far as the Poles asunder, nevertheless, there was, in fact, a very close connection between the two. It was his firm belief that unless a settlement was reached in regard to Shantung, the Senate of the United States would not pass the Quadruple Treaty.

BARON KATO said he quite appreciated this and that this was one of the points he had had to impress upon his Government.

MR. BALFOUR then said that his good offices would always be available in the question of Shantung if Baron Kato desired them.

BARON KATO thanked Mr. Balfour for this and said that he hoped Mr. Balfour would always consult him if he felt there was any difficulty which could be smoothed out between them.

Baron Kato then withdrew.

No. 533

Sir E. Crowe¹ to Mr. Balfour (Washington Delegation)

*No. 174 Telegraphic [F 85/42/10]**

FOREIGN OFFICE, *January 7, 1922, 7 p.m.*

Your telegrams Nos. 196, 201 and 210.²

There is no objection on our part or that of the Board of Trade to the immediate revision of import tariff by a committee at Shanghai with a view to the provision of an effective 5 per cent.

¹ Permanent Under-Secretary of State for Foreign Affairs. Lord Curzon attended the Inter-Allied Conference at Cannes, Jan. 6-13, 1922.

² Nos. 519, 523, and 525 respectively.

As regards surtaxes, Board of Trade consider that any charge over and above an effective 5 per cent. import duty would to some extent affect China's capacity to purchase British goods, but think that, if some surtax must be conceded, $2\frac{1}{2}$ per cent., with a possible higher surtax on luxuries, would not have any material effect.

They recognise that there are objections to giving the present Chinese Government unfettered control over large additional resources at the expense of other interests, but the question whether the grant of surtaxes should be withheld pending political reconstruction appears to the Board to depend partly on the question whether the conditional concession of authority to China to impose them could be held as an effective lever to facilitate such reconstruction and partly on the question whether, failing such political reconstruction, it would be possible to ensure that at least a reasonable proportion of the proceeds should be utilised for railway and other desirable development in China.

The Board observe with some regret that, whereas the original proposals contained in your telegram No. 196 contemplated the abolition of coast-trade duties forthwith and the taking of immediate measures to diminish internal taxation, the modified proposals contained in your telegram No. 201 give no such security.

While we ourselves do not share this preference for the original proposals, we readily assent to the reference of the whole subject of surtaxes to a special commission, but it is clear that political considerations must govern the issue, and we must postulate that any financial benefit which would result from any increases recommended by the commission shall not be allowed to accrue to China until reforms have been undertaken by a stable and united Government capable of representing and governing the whole country. To allow the present Chinese Government unfettered control over funds derived from such increases would be diametrically opposed to the policy of the consortium, which is to prevent China from obtaining money merely for the purpose of squandering it. We do not wish, however, to exclude the examination of the question how far the increased revenue could be allocated to schemes for the permanent and economic development of China and other matters provided the above principles of policy remain unimpaired.

(Repeated to Peking, No. 9.)

No. 534

Sir C. Eliot (Tokyo) to Sir E. Crowe

(Received January 8, 4.45 p.m.)

No. 5 Telegraphic [F 120/1/23]

TOKYO, January 7, 1922

Minister for Foreign Affairs informed me yesterday that Japanese government were on the whole satisfied with results of Washington conference so

far. They regretted termination of Anglo-Japanese alliance but recognized that a good understanding with America was essential and would not have been possible had bilateral agreement continued. Government expect to be violently attacked when Diet meets towards end of the month, but there was no sign of serious popular discontent. Though there was a strong feeling that Japan proper ought not to be included in article 1 of quadruple agreement, no difficulty was likely to arise on this point since the other parties seemed ready to adopt the interpretation desired by Japan. He was not a specialist in naval matters but (? actually), speaking generally, he thought Japan would be able to come to an agreement with Great Britain and United States on question of submarines, and also that of Mr. Root's four resolutions about China, though latter might require 'a little touching up'. Japan would also be ready to agree to a resolution about integrity of Russia. I asked him if such a resolution would include Saghalin. He said decidedly that it must not. Question of Saghalin must in the opinion of Japanese Government be settled by direct negotiations between Japan and Russia.

He added that Dairen conference was making no progress at present.¹

He expressed his thanks for Mr. Balfour's assistance in discussion of Shantung difficulty but feared that obstinacy of Chinese would render all negotiations useless.

¹ The reference is to a conference, begun in Aug. 1921, between Japanese representatives and representatives of the Far Eastern Republic concerning the withdrawal of Japanese troops from Siberia.

No. 535

Mr. Balfour (Washington Delegation) to Sir E. Crowe
(Received January 8, 8.30 a.m.)
No. 233 Telegraphic [A 201/2/45]

WASHINGTON, January 7, 1922

Following from Mr. Balfour for Prime Minister at Cannes:¹

Americans have just sprung on conference resolution condemning the use of poison gas. It will probably be discussed at tomorrow's meeting. It was my hope that neither this nor other subsidiary question would be seriously considered by this conference (see my telegram No. 67).² But American procedure (which I suspect to have been rather hastily adopted) renders immediate action inevitable on the part of British delegation.

On technical side I hold it to be proved:

¹ Cf. No. 533, n. 1.

² Of Nov. 27, 1921, not printed. The other question referred to by Mr. Balfour was that of the destruction or control of the German dye industry plants.

1. That no international ruling can prevent plant being erected for purposes of peaceful industry which could be used almost without change for manufacture of poison gas.

2. That nothing can stop discovery of new gases.

3. That no country can allow its safety to be wholly dependent on faithful observance by other states of rules to which they are pledged.

4. That we shall, therefore, have to take precisely the same precautionary measures whether conference condemns gas warfare or whether it does not.

On political side what ought to be done? American proposal is neither more nor less than reaffirmation of a principle implied in treaties of peace with Germany, Hungary, Austria and Bulgaria expressed in language borrowed from article No. 171 of treaty of Versailles. Same principle had been proclaimed by allied and associated powers March 25th, 1918:³ which in its turn only expressed what had been the world's opinion in 1915 and the finding of the two Hague conferences of 1907 and 1899.⁴

To reject a rule supported by this weight of authority would be difficult; to do so in the present circumstances would be impossible. American opinion is practically unanimous in its favour; so is opinion of Dominions. Italy has already accepted American scheme with enthusiasm. If British delegation were to resist on some technical grounds a policy which, on every other ground, they would like to see made effective, their position will be hopeless. They will be charged with appealing to sentiments of humanity when it suits them—as it does in the case of submarines—and being indifferent or hostile when their interests are not specially concerned. It may well be that French and Japanese will follow American example and accept American scheme. In that case its rejection will justly be laid wholly at our door and an intolerable situation will be created.

Though I thus far take strong view as to policy which we should adopt, I do not think that I am prejudiced by my aversion to these new methods of warfare, which even when not inhumane at present moment are capable of most terrible developments. Declarations solemnly condemning methods capable of grossest abuse may prove useful even if they cannot always be enforced; while their rejection will be certainly held to imply indifference, if not approval.

³ The reference is to the reply of the Allied and Associated Governments to a proposal by the International Committee of the Red Cross at Geneva that the use as a means of war of poisonous and asphyxiating gases should be discontinued. Cf. *F.R.U.S. 1918*, pp. 779–84.

⁴ For the declaration of July 29, 1899, made at the First Hague Peace Conference, see *B.F.S.P.*, vol. 91, pp. 1014–16; for Great Britain's accession to that declaration on Aug. 30, 1907, see *ibid.*, vol. 100, p. 280; and for the relevant section of the Annex to the Convention concerning the Laws and Customs of War on Land signed at the Second Hague Peace Conference on Oct. 18, 1907, see *ibid.*, p. 354.

No. 536

Mr. Balfour (Washington Delegation) to Sir E. Crowe

(Received January 8, 11 p.m.)

No. 238 Telegraphic [F 127/69/10]

WASHINGTON, *January 8, 1922*

Question of Shantung is still further in the melting-pot. Mr. Hughes and I are doing our best to secure an agreement. If we fail, it seems probable that whole work of conference in other directions will be wasted since Senate are unlikely to ratify any treaty. If on the other hand Shantung can be satisfactorily arranged and Japanese evacuate Kiao-Chow our position will be impossible unless we show our readiness to leave (? Wei-hei-wei). All my colleagues on British Empire delegation as well as my Chinese experts share my views. I propose to act accordingly.

No. 537

Sir B. Alston (Peking) to Sir E. Crowe

(Received January 9, 11 p.m.)

No. 11 Telegraphic [F 148/148/10]

Urgent

PEKING, *January 9, 1922, 10.15 p.m.*

My telegram No. 9.¹

Chinese fleet has telegraphed to Peking stating that, in view of their pay being over a year in arrear, they propose to detain salt revenue at Chinkiang. Salt administration has received telegram reporting arrival off salt depot near Chinkiang of four Chinese gunboats and one torpedo boat under the command of Chinese admiral. This is confirmed by telegram from His Majesty's Consul.

My Japanese and French colleagues and I consider it desirable to ask for early authority from our governments to send a gunboat each to protect interests of bondholders of reorganisation loan² by upholding the authority of the central salt administration. Meanwhile I am asking Rear-admiral³ to send a ship to Chinkiang to watch developments, and to report events. My colleagues and I are addressing an immediate note to Waichia[o]pu calling upon the government to protect the interests of bondholders, and to prevent interference with salt administration, as constituted under reorganisation loan agreement of 1913.³

Kiangsu collectorate is one of the principal sources of revenue and if this is allowed to pass, the example may be followed elsewhere by unpaid troops, and result may be the practical disappearance of both salt revenue and salt administration.

¹ Of Jan. 7, not printed.

² For this agreement, see No. 37, n. 4.

³ i.e. Rear-Admiral C. Maclachlan, who had succeeded Rear-Admiral Borrett as Senior Naval Officer, Yangtze, in Aug. 1921.

Mr. Balfour (Washington Delegation) to Sir E. Crowe
(Received January 11, 8.30 a.m.)
No. 244 Telegraphic [F 166/69/10]

WASHINGTON, January 10, 1922

My telegram No. 225: Shantung.¹

Negotiations to relieve deadlock are proceeding.

On January 5th Chinese delegation declared that they were unable to accept Japanese plan of a loan agreement. They offered definitely to make one single cash payment leaving it to Japan to decide whether she would commence transfer of line before or after deposit was made. In the alternative, and if Chinese government treasury notes were still unacceptable, they were ready to give Chinese banks [*? bank*] notes. Japanese delegation maintained that their instructions were explicit to insist upon a loan. Eventually Mr. Koo proposed the following:

'If you are prepared to waive idea of loan we are ready to consider suggestion on basis of our plan of deferred payment in general harmony with substance of railway agreements now in existence, but without form of a loan and within limits keeping railway under full Chinese control, operation and management.'

Following day Japanese delegation stated categorically that their instructions precluded them from considering anything but settlement on a loan basis on lines similar to railway loan agreements negotiated in recent years say in 1913 and 1914.²

They made the following concrete proposals:

1. That loan be for 15 years with option of redemption on 6 months' notice after 5 years.
2. That a Japanese traffic manager and chief accountant be engaged.
3. Financial details to be settled at Peking.

Chinese delegation therefore said that they also had categorical instructions to refuse settlement on loan basis and formally withdrew their formula of January 5th. As an *impasse* had been reached they desired to invoke the good offices of Mr. Hughes and myself.³

Japanese delegation made point that they could not submit to third parties a matter upon which their instructions were explicit and, as there was clearly no hope of making progress, conversations were then adjourned *sine die*.

Both Mr. Hughes and I have emphasised grave dangers of failure to settle but so far without result.⁴ Meanwhile with our full approval British and American observers are endeavouring to find some common ground on which to bring the two opposing parties together, and to this end four in-

¹ No. 531.

² The reference is presumably to the agreements of 1913 and 1915; see MacMurray, vol. ii, pp. 1054-5 and 1249-58.

³ See *Minutes*, op. cit. (No. 459, n. 2), p. 194.

⁴ See Nos. 531, 532, and 536.

formal alternative propositions were submitted on January 9th to both parties.⁴ Substance is as follows.

(a.) In order to avoid appearance of direct loan to Chinese government, Japanese government to transfer their interest in line to a Japanese syndicate, latter to transfer to a Chinese syndicate, who in turn would pass it on to Chinese government; loan to be for 12 years but redeemable after 3 and to be secured on property and revenue of line; a Japanese to be appointed engineer-in-chief.

(b.) A direct loan for the same period and on the same terms as above, but on strictly Tientsin-Pukow terms.

(c.) Chinese government to be at liberty to acquire line by deposit . . .⁵ in a foreign bank; line thereupon to be transferred to Chinese government but Japan to have the right to Japanese traffic manager and chief accountant for period of 5 years.

(d.) Japan to agree to accept payment in Chinese treasury notes with payments spread over twelve years and with three years' option; so long as debt remains unredeemed traffic manager and chief accountant to be Japanese, subject to control of Chinese Ministry of Communications.

Indications are that (d) is the only one of above that may be acceptable to Japanese delegation.

It has been pointed out to Chinese delegation that if loan and option period are short, objection to appointment of Japanese is *pro tanto* weakened.

Repeated to Peking for repetition to Tokio.

⁴ In his despatch No. 13 of Jan. 13 to Mr. Lloyd George (not printed), Mr. Balfour said that Mr. MacMurray of the State Department and Mr. Lampson of the British delegation had been authorized 'jointly to use such means as are open to them in an endeavour to find a common meeting ground for the opposing parties'. For a fuller text of these proposals, see *F.R.U.S.* 1922, vol. i, pp. 965-7.

⁵ The text is here uncertain: 'specie' was suggested on another copy of this telegram.

No. 539

Sir E. Crowe to Mr. Balfour (Washington Delegation)

*No. 186 Telegraphic [F 90/1/23]**

FOREIGN OFFICE, *January 11, 1922, 10 p.m.*

Your telegrams Nos. 221 and 222.¹

Proposed action seems good solution of difficulty of dealing with Dutch possessions in the Pacific, but as a matter of correct and courteous procedure towards Portugal, you should definitely propose similar action at Lisbon as regards Timor.²

¹ See Nos. 529 and 529, n. 2.

² In his telegram No. 273 of Jan. 18 (not printed) Mr. Balfour said that he had spoken to Mr. Hughes, who concurred.

Sir E. Crowe to Mr. Paton¹ (Vladivostok)

No. 3 Telegraphic [N 202/90/57]

FOREIGN OFFICE, *January 11, 1922, 10 p.m.*

(Suchan Mining Property.)

Your telegram No. 113 (December 28th).²

It is not desirable that British capital should be encouraged to participate in Suchan mining.

¹ H.M. Consul at Vladivostok since April 1, 1921.

² Not printed. This had reported that a local Russian firm had enquired whether British capitalists would be interested in participating in the development of this 'mining property, including forest reserves, railway, &c.' According to information from the Department of Overseas Trade, the property was a coal mining one formerly worked and owned by the Russian State.

Mr. Balfour (Washington Delegation) to Sir E. Crowe

(Received January 12, 1 p.m.)

No. 250 Telegraphic [A 326/2/45]

WASHINGTON, *January 11, 1922*

Question of rules for scrapping capital ships considered to-day.

Mr. Hughes took very strong new line insisting that capital ships should be scrapped at once (if necessary by sinking) and not be allowed to remain in existence awaiting economic opportunity for scrapping. He held that this would give rise to misapprehension in public mind and misrepresentation for political purposes and to loss of all moral effect which naval agreement would otherwise produce. I am in great sympathy with his general point of view. I pointed out great financial loss to Great Britain due to the impossibility of commercially immediately disposing of 16 capital ships for some years to come and expressed difficulty I feel that no way exists of rendering ships incapable of warlike service in a manner which would be accepted by the world as adequate. My naval advisers consider question to be mainly financial one. They are not in a position to say what loss to Treasury would be but in my own opinion it would be disastrous to allow question of best method of disposing of a lot of old metal to destroy the psychological effect which we may expect from Treaty.

I pointed out however that there were other clauses introduced mainly to please Americans by which treaty was marred in order to save money to American Treasury. For example, right to convert battleships into merchantmen and battle-cruisers into aircraft carriers.

Mr. Hughes feels moral point of view so strongly that I think he will exercise his authority to get this clause eliminated, which, from Admiralty point of view, would probably be advantageous.

I very strongly press for Cabinet authority to agree to immediate destruction of ships that we have agreed ultimately to scrap. I think I should probably be able to obtain permission to retain the 'Colossus' and 'Collingwood' as training ships and a capital ship exclusively for target practice.

Necessity of this I understand is recognised by all naval authorities of all countries.

I am convinced that question is of more importance than it may first appear but I should be glad of an immediate reply.

No. 542

Mr. Balfour (Washington Delegation) to Sir E. Crowe

(Received January 13, 10 a.m.)

No. 257 Telegraphic [A 347/2/45]

WASHINGTON, *January 12, 1922, 1.50 p.m.*

My telegram No. 250.¹

Situation in regard to scrapping of capital ships has undergone some alteration today as result of further meeting of heads of delegations.² It has now been decided, instead of immediately scrapping capital ships, to deal with the matter in two stages. Firstly, by end of six months (instead of original term of one year) from coming into force of treaty, ships are to be rendered incapable of further warlike service in accordance with rules laid down by naval technical committee. Secondly, by end of eighteen months (instead of original term of four years) from coming into force of treaty, scrapping is to be completed. I understand that this may involve sinking of some capital ships both for Great Britain and America owing to difficulty of breaking them up within this time. In accepting this proposal, I was strongly influenced by argument that public opinion would be sceptical in regard to scrapping programme if deferred for four years and that the whole scheme would be plausibly represented as a sham. In view of this development I withdrew [*sic*] my request for Cabinet authority to agree to immediate destruction of ships but I must ask for very early reply as to whether Admiralty insist on retaining 'Colossus' and 'Collingwood' as training ships. I have made a formal reservation on this point but my personal opinion is that retention of these ships will be liable to misrepresentation, will affect the symmetry of the scheme and should not be insisted on by the Admiralty unless absolutely necessary.

¹ No. 541.

² For Sir M. Hankey's memorandum of this meeting of Jan. 12, see *F.R.U.S. 1922*, vol. i, pp. 200-19.

No. 543

Sir E. Crowe to Mr. Balfour (Washington Delegation)

No. 189 Telegraphic [A 350/2/45]

Personal and secret

FOREIGN OFFICE, *January 13, 1922, 10 p.m.*

Following from Mr. Churchill:¹

Committee of Imperial Defence considered this morning your No. 250 (of the 11th January).²

We quite understand the importance you attach to meeting American wishes, but at the same time we are bound to put the following facts before you:

We have already scrapped 1,500,000 tons of war shipping since the Armistice. The country is flooded with scrapped ships and ship-breaking firms cannot take more. We have been forced to sell old warships abroad, which has caused adverse comment owing to unemployment and short time in dockyards. In view of our financial obligations to United States, which are apparently to be rigorously enforced, we cannot overlook financial aspect or readily commit ourselves to sheer waste of valuable material. Surely you can point out that Japanese have received permission to convert two battleships and United States two battle-cruisers into aircraft carriers on grounds of domestic economy. We consider we deserve an equal measure of consideration. This applies generally to all the additional ships we are about to scrap. A three years' time limit might well be instituted within which all vessels, other than the following, would be finally disposed of. The following exceptions are very important to us in a financial, though not in a military, sense. Before the conference at Washington we had arranged to disarm, dismantle and utilise for various depot purposes 'Colossus', 'Collingwood', 'Superb' and 'Agincourt'. These vessels were removed from the fighting fleet, and large sums of money have been spent upon their conversion into three depot ships and one target ship. We should seriously deprecate being invited to alter these arrangements, which would involve us in heavy financial loss. Surely our good faith in these matters ought not to be impugned.

Above are the wishes and opinions of the Admiralty, with which Committee of Imperial Defence is in full accord.

¹ Secretary of State for the Colonies.

² No. 541.

No. 544

Sir E. Crowe to Mr. Balfour (Washington Delegation)

No. 190 Telegraphic [A 9337/18/45]

FOREIGN OFFICE, *January 13, 1922, 10 p.m.*

Following from Mr. Churchill:

Begins:

With reference to your telegram No. 166 (of 15th December)¹ and the

¹ See No. 504, n. 3.

provision in the three power agreement on the naval ratio that the *status quo* shall be maintained with respect to fortifications and naval bases in the Pacific region including Hong Kong, it is presumed that our freedom of action in regard to Singapore has been preserved. Ends.

No. 545

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 14, 8.30 a.m.)

No. 261 Telegraphic [A 371/2/45]

WASHINGTON, January 13, 1922

Principal outstanding point in naval treaty relates to *status quo* in fortification[s] and naval bases in the Pacific. British proposal was to attach to treaty a chart on which is drawn *status quo* area bounded on the south by Equator, north by parallel 30° north, and lying between meridians 110° east and 180° east [*sic*]. This was accepted except by Baron Kato. He explained that original press announcement of December 15th¹ had been read by Japanese Prime Minister to the party leaders who had formally approved it. Japanese Government would be embarrassed if the original wording was departed from. He admitted that in the announcement of December 15th the exclusion of islands of Japan proper from *status quo* would also involve the exclusion of Oshima and Bonin islands which technically formed part of Japan proper. He proposed to make clear by an exchange of notes that these islands would come under *status quo* agreement. I pointed out other defects in the wording of announcement of December 15th. Strictly speaking it would even apply *status quo* to mainland of Asia, including Port Arthur, as it had omitted to mention that arrangement was intended to apply to insular possessions only. I also made it clear that *status quo* area was to apply to the whole Pacific region as in announcement of December 15th, instead of being kept within defined limits. I should have to insist on provisions to preserve the rights of Canada, Australia and New Zealand to create fortifications and naval bases in their adjacent non-mandated islands.

Senator Pearce had insisted on this, as Lord Jellicoe had reported in favour of base in New Guinea.²

After much negotiation, Baron Kato was won over, but said he must obtain authority from his government. He has telegraphed to Tokio recommending adoption of our plan.

¹ Cf. No. 504, n. 3.

² In his amplifying despatch, No. 16 of Jan. 20 to Mr. Lloyd George (not printed), Mr. Balfour reported that on Jan. 9 Senator Pearce (Australian Minister for Defence and British Empire delegate for Australia to the Washington Conference) had stated 'that the Commonwealth authorities wished to retain the right to create naval bases and fortifications in such islands, if they should ever so desire, in accordance with the recommendations of Admiral Lord Jellicoe at the time of his mission to Australia' (i.e. in 1919). Mr. Balfour added that he saw no reason 'to anticipate difficulty in securing the essential requirements of the British Empire in regard to this article'.

Mr. Balfour (Washington Delegation) to Mr. Lloyd George¹

*No. 14 [A 732/2/45]**

Secret

WASHINGTON, *January 13, 1922*

Sir,

Since the transmission on the 30th December of my last despatch No. 12 regarding naval and disarmament matters,² the Conference has done its work through a multitude of separate committees, joint committees, drafting committees and special *ad hoc* discussions or conversations, between which the British delegation meetings and other necessary conferences could with difficulty be inserted.

2. During this period the activities of the naval section have been of a most strenuous character; and if, as I have great reason to hope, a satisfactory result will be achieved, this must be attributed in a very great measure to the very great ability and the untiring zeal with which they have prosecuted their labours.

PART I.—*The Root and kindred Resolutions*

3. In paragraph 9 of my despatch of the 30th December I referred to the three resolutions brought forward by Mr. Elihu Root, the text of which is in your possession. The resolutions as finally adopted are contained in enclosure 1.³ Resolution I recognises a view which I think I may fairly describe as the traditional British view, namely, that before a merchant vessel is destroyed the safety of the passengers and the crew should be provided for, whether that merchant vessel be an enemy merchant vessel or a neutral merchant vessel. This is a principle which, if my memory serves me right, has been formerly contended for by British representatives at previous conferences. The declaration in clause 2 of Resolution I, supplemented by Resolution II, will, I trust, make any future enemy of Great Britain hesitate before launching a submarine campaign against our mercantile marine. It will not escape your attention that in clause 1 of Resolution I the phraseology adopted is 'submit to visit and search' (in substitution for 'stop for visit and search'). This phraseology will be of peculiar interest to both the Foreign Office and the Admiralty, as the question of the locality where the right of search may be exercised was, during the war, a thorny subject (see Command Paper Cd. 8234 of 1916). The naval section had pointed out the need of amending the original resolution by the interpolation of some words in the sense of 'or proceed as directed' after 'stop for visit and search'. Mr. Elihu Root's alteration, 'submit to visit and search', covered the British contention, and was both apt and adequate.

4. Resolution III, which I may term the 'Piracy' Resolution, caused me some anxiety. The naval section were opposed to it. In its original form, as you

¹ A copy of this despatch was sent to the Foreign Office on Feb. 1.

² Not printed.

³ Not printed. The text of the four resolutions relating to submarines, as finally adopted, is printed in *C.L.A.*, pp. 266-7.

are aware from enclosure 2 (III) to my despatch No. 12 of the 30th December, the proposal affected submarine officers only. In its final form, which is the result of an amendment by Signor Schanzer, the criminal responsibility for violating the rules in Resolution I is of general application to the officers and crew of surface ships as well as of submarines. The British position early in the Conference regarding the inhumanity of the German submarine warfare in the last war and the adoption by Great Britain as well as by the other Allied and Associated Powers of the penal clauses in the Treaty of Peace would of themselves have compelled my adherence to this resolution, and Mr. Root's appeal in its favour, based on the belief that it would strengthen and crystallise the sentiments of horror which submarine outrages had aroused throughout the world, was extremely powerful. That officers and crews serving unscrupulous Governments may be placed by this rule in positions of cruel embarrassment is certainly true. But this is the fault of their Governments, not of the rule, and we may confidently expect that neither Government nor sailors will be British. As I foresee that some new statutory legislation may possibly be required to confirm this resolution, it may be expedient to point out that, in reply to an enquiry by Mr. Hanihara as to the exact meaning of the words 'punished as if for an act of piracy', Mr. Hughes 'assumed' that the violation of the laws should be treated as amounting to an act of piracy and that the guilty person would be subject to punishment accordingly; Mr. Root pointing out that, though the act was done on the high seas and not under the jurisdiction of any particular country, nevertheless the offender could be punished in any country, as piracy on the high seas is justiciable anywhere. It goes beyond the present limits of international law, and evidently the five Powers represented at the Naval Conference had no authority to impose it on the rest of the world. But they made it binding as between each other, and invited other nations to adhere. Should they do so in sufficient numbers the resolution would *ipso facto* become part of the law of nations.

5. Considerable discussion was occasioned by the use of the phrase 'commerce destroyers', very largely because 'destruction' had been so clearly differentiated in Resolution I from 'seizure' and 'attack'. And when Mr. Hanihara observed that if the resolution were adopted it excluded the use of submarines for purposes of blockade, Signor Schanzer at once protested, though after some discussion he consented, in a spirit of conciliation, to accept the view that submarines were not to be employed to carry out the functions of blockade vessels.

6. Generally it may be observed that in all the resolutions except the fourth we have merely restated in emphatic and authoritative terms what Great Britain has always regarded as part of existing international law. In the fourth resolution we have done something to extend the law, in harmony with a decision of the Sub-Committee of the Committee of Imperial Defence, No. 280-B,⁴ which was approved by the Cabinet as a general guide for this delegation.

⁴ Not traced in Foreign Office archives.

7. In the course of the discussion on the 5th January on clause 2 of Resolution I, Lord Lee suggested that the words 'and aircraft' should be inserted after the first two words 'belligerent submarines', and also in the third line 'or aircraft' should be added after 'a submarine'.⁵ But Mr. Hughes pointed out that the question of aircraft could profitably be considered by itself without dealing with it in a resolution intended to apply to submarines. The principle underlying Lord Lee's suggestion was therefore temporarily shelved until the report on the uses of aircraft could be considered. When that report was considered, Sir Robert Borden again raised the same point, but, in view of the obvious tendency to defer the consideration of the rules of the conduct of aerial warfare to a future conference, Lord Lee accepted reference to such a conference as a solution.⁶ The assimilation to aircraft of the rules of warfare of submarines against commerce will not, therefore, be dealt with at Washington.

8. The report of the Committee on Poisonous Gas occasioned a discussion on the subject in the full committee.⁷ Mr. Root seized the occasion to propose a reaffirmation of what I conceive to be the existing law, by which the use of such gases is forbidden. My position in this matter has been already explained in my telegram No. 233.⁸ It must be acknowledged that every investigation into this subject has shown the extreme difficulty of preventing in time of peace preparations which would enable noxious gases to be produced on a great scale in time of war. This makes it impossible for nations who have no intention of employing this weapon to abandon enquiries into the means by which its attacks may be resisted, and, if necessary, countered. On the other hand, it does not absolve those who are anxious to make war more humane from condemning in the strongest terms the misuse of scientific discovery for purposes of military offence. This course has been pursued at the two Hague Conferences in 1899 and 1907 by all the Powers there represented except America, which did not ratify the conventions. It was followed by the Allied and Associated Powers in March 1918, by the Allies in the Treaties of Peace of 1919, and by America in her separate treaties with Germany and other ex-enemy countries.

The Washington Conference, therefore, has not endeavoured to initiate any change in the international law which ought to govern the practice of civilised nations in this respect. But we may hope that the emphatic declaration made by the five Powers engaged in promoting the diminution of armaments will not be without its effect in strengthening the moral aversion with which barbaric methods of warfare should be regarded by civilised nations.

9. On the 9th January Signor Schanzer introduced a resolution desiring to ensure the enforcement of the rules of international law tending to the prohibition of the bombardment of undefended towns, villages, dwellings and buildings by aircraft. This resolution was not adopted. It did not proceed far, as Mr. Root, on the one hand, indicated the difficulty of defining

⁵ See *C.L.A.*, pp. 688-9.

⁷ See *ibid.*, pp. 728-51.

⁶ See *ibid.*, pp. 690-1 and 784-5.

⁸ No. 535.

when a place was defended against bombardment by aircraft, and, on the other hand, a report of the Sub-Committee on Aircraft had relegated to a future conference the duty of drawing up a code of rules of aerial warfare.⁹

I have, &c.

ARTHUR J. BALFOUR

⁹ See *C.L.A.*, pp. 802-7.

No. 547

Sir A. Geddes (Washington) to the Marquess Curzon of Kedleston

(Received January 24)

No. 37 [A 587/2/45]

Confidential

WASHINGTON, *January 13, 1922*

My Lord,

In my despatch No. 1216 of the 30th November last¹ I had the honour to offer certain observations on the influences which were being exerted on American public opinion by the Conference on Limitation of Armament and on Far Eastern questions. Since that date public interest in the proceedings has been surprisingly well maintained, though in recent weeks it has tended to flag. The failure immediately to achieve a naval limitation agreement applying to all classes of warships, the delay in announcing any definitive settlement of the questions affecting China, the time which has elapsed since the last open session of the Conference, and finally, the meeting of the Supreme Council at Cannes² are factors contributory to the decline in interest shown by a temperamentally impatient people, accustomed to gather its impressions of public affairs from headlines in the daily press. In recent days there have been occasions when important newspapers such as the 'New York Times' have appeared without any reference to the Washington Conference on their first page—a sure guide to the trend of public interest in this country.

Yet it would be unwise to infer from these signs of a diminished public attention that the Conference is regarded as in any sense a failure by the country at large. America has been so accustomed to get immediately what she wants that, like a spoilt child, she pouts because the rapid, complete, world-arresting, epoch-making success of which she dreamed and thought to be within her grasp has somehow escaped her. She has begun to realise that, even at Washington, a Conference confers and that the foreign delegations, far from accepting orders from Mr. Hughes, argue and debate with quite surprising skill and even convince the American delegates themselves that improvements in plans proposed are possible. Only a few weeks ago the more ignorant American newspaper men were writing as if every American

¹ Not printed.

² See No. 533, n. 1.

proposal were inspired, not only in substance, but in the very wording. Now the bloom is gone and the first rapture is over. Yet behind the editorial comment in the majority of newspapers there is discernible a conviction that a very solid advance has been made during the last two months towards the preservation of world peace in general and the promotion of American interests in particular. The saving of expenditure through the limitation of naval strengths, now provisionally accepted, is welcomed by those who normally oppose a big navy as a step in the right direction and as a providential 'way out' by those who, while favouring a big navy, have come to look with anxiety on the growing tendency of Congress to reduce naval appropriations. The most treasured result, however, the event that is looked upon as a brilliant success for American diplomacy, is the impending disappearance of the Anglo-Japanese Alliance. Many of those who are instinctively opposed to the principles which they believe to be involved in acceptance of the Quadruple Treaty will not hesitate when faced with a choice between it and the detested Alliance. If to these gains there be added a Shantung settlement and an apparently reasonable handling of the general Chinese problem, there can be little doubt that the achievements of the Conference will be almost universally applauded in this country.

Judged with respect to its influence on American opinion, the most interesting occurrences during what may be termed the middle period of the Conference are those connected with the discussion of the submarine question. Hardly had public opinion recovered from the shock of the original French insistence on a capital ship quota of 350,000 tons than attention became riveted on the British proposal for complete abolition of the submarine. The powerful and extraordinarily effective appeals made by Mr. Balfour and Lord Lee, though not uttered in public session, were issued verbatim to the press, and were printed in full in every reputable paper in the land. The effect was instantaneous. Postcards, letters, petitions in favour of the abolition of an inhuman form of warfare began to roll in upon the Government. The British contention received editorial support in a considerable section of the press. The American Delegation was astounded. They felt that their moral position was endangered. The Republican Party saw at once that the Democrats had only to take up the cry for abolition seriously to lessen the political gain which they had confidently expected to make out of the Conference. Mr. Hughes got worried. He decided at all costs to avoid a public plenary session at which the British Delegation would be able to secure a demonstration in favour of their proposal. He suggested cutting down the tonnage and got Mr. Root to introduce resolutions designed to regulate submarine warfare. I have no doubt that, had the Americans not been able to shelter themselves behind the French insistence on an increased submarine tonnage, the pressure of public opinion—especially in the west and middle-west—would have forced them to side with the British view in favour of abolition. This for political reasons, for the moment at least, they dare not do. To cover their confusion the press was hounded on to attack France.

It is rare, even in this country of press campaigns, that such a bitter and almost universal onslaught is made on any country as that which was immediately directed against France over the naval limitation question. The permanent results are difficult to gauge. In some quarters it is declared that Lafayette is at last dead. This is probably wrong, for we have seen in our own experience how a press campaign will burst into sudden flame on some such question as Ireland or oil rights, only to die down with almost disconcerting rapidity when the immediate purpose has been served. A speedy metamorphosis from virulent critic to panegyrist presents no difficulties to an American newspaper. Nevertheless I agree with those observers who say that French prestige in this country has suffered a set-back such as it has never known. Unfortunately with French prestige goes, though in a lesser degree, European prestige, for France in America has always been the most popular European country. This strengthens the hands of those who, like Senator Borah,³ laud the advantages of isolation.

An especially noticeable series of articles on this point have appeared in the 'Washington Post' in the early days of this month. These articles were, to my knowledge, submitted to, and carefully corrected by, the proprietor of the newspaper who is in close touch with the White House and who undoubtedly aspires to reflect the opinions of the President on matters of foreign policy. In the first article, published on January 1st, the underlying motives of the French attitude at the Conference were examined, the tendency of the French Government to drift away from her former allies and associates noted and France reminded of the services of her friends during the war. The article then asks: 'Are the men now in control of French policy so forgetful or so suspicious that they class Great Britain, Italy and the United States with Germany?' A more moderately toned article appeared in the same paper on January 3rd and was followed by an editorial on January 5th headed 'The wreck of French prestige'.

...⁴

France's loss has been Japan's gain. The Japanese Delegation undoubtedly found a very hostile public opinion when they arrived here early in November, but the conciliatory attitude which they have adopted throughout the naval discussions has done much to remove the exaggerated fears of Japanese aggression which have long existed in the public mind and this process is being hastened by the anticipation that the Anglo-Japanese Alliance will shortly be abrogated. It is true that the latent anti-Japanese feeling became stirred when it was announced that the provisions of the Four-Power Treaty were to apply to the main islands of Japan. Public opinion was becoming prepared for a new orientation in Japanese-American relations, but anything that implied, however vaguely, a guarantee of Japan's position in her main islands was more than it could swallow. Protests against this aspect of the Treaty became frequent, and the Democratic press was not slow to draw a

³ Republican Senator for Idaho.

⁴ Three paragraphs amplifying the attitude to France of the newspaper press in the U.S.A. are here omitted.

parallel between the proposal to 'guarantee' Japan and the refusal to guarantee France. This line of criticism however rapidly subsided when it became known that Japan herself had come forward with a proposal to exclude her main islands from the operation of the Treaty. Although the Japanese Delegation have naturally been obliged to tread on very delicate ground in their handling of the Shantung question, their policy has been so cleverly contrived that up to the present they have staved off the hostile press campaign which has sometimes appeared almost inevitable. They are largely indebted to France's delinquencies for this comparative immunity from attack.

While France has lost and Japan has gained in American estimation, the most striking result of the Conference has been its effect on Anglo-American relations. The American public has witnessed the spectacle of America apparently finding a greater and more sustained support of her policies from Great Britain than from any other Power. Moreover on the submarine question the British Delegation are freely said to have better gauged the trend of American opinion and to have expressed American thought more accurately than the American Delegates themselves. It has, the public think, been demonstrated that the British and the American approach to the questions discussed and the British and the American method of negotiation are almost identical. This is contrasted with the very different ideals and purposes said to animate other participants in the Conference. The Hearst press, of course, continues its hostility, their favourite theme being that England is in process of getting everything she wants from the Conference and is leading America by the nose. The President recently summoned Mr. Randolph Hearst⁵ to the White House in the hope of being able to explain and justify his policies to this pestilent critic and afterwards kept Mr. Hearst to lunch. It is said that during the meal the newsboys were heard shouting the headlines of one of the most bitter and disparaging attacks which even the Hearst papers have ever made on the Administration, charging the President and his Delegates with wilfully misleading and betraying the American people. However this may be, the little conference has resulted in no apparent moderation in the Hearst pyrotechnics.

In other and more responsible papers a tendency has also been noticeable of late to oppose this new development in Anglo-American relations. Colonel House,⁶ in articles which are widely syndicated, warns of the danger lurking in any undue wounding of Latin susceptibilities through too close a co-operation between the Anglo-Saxon nations. Mr. Elmer Davis in the 'New York Times' and Mr. Frank Simonds in the 'New York Tribune' appear to be animated by an unshakeable mistrust of British designs and delight in hinting that the Conference has been a success for British rather than for American diplomacy. In recent articles they take the line that British interest is now turning towards Cannes, that we have obtained all we want in Washington and that we are now anxious to finish the Washington Con-

⁵ Proprietor and editor of several American newspapers and periodicals.

⁶ One of President Wilson's chief unofficial advisers and lately U.S. Commissioner Plenipotentiary to the Peace Conference.

ference at once 'with a roar of applause'. Undoubtedly the fact that interest is now being directed from Washington to Cannes and Genoa⁷ is causing some uneasiness and there is tendency to blame Great Britain for this premature shift of interest. It has been for weeks certain that Britain would be blamed for something done or left undone. The enthusiastic support which the British submarine policy received was from the first certain to be followed by a reaction towards criticism of some actual or supposed intention of our Delegates. It is probably fortunate that the press have selected for criticism an assumed intention certain to be disproved by the result for which the Americans will claim credit. This will ease the situation in the Senate. Americans want this to be a great American Conference marked by many American successes and anything which appears to interfere with its greatness or their success, from whatever quarter the supposed obstruction may come, is resented. When the imaginary obstruction vanishes they point with pride to the success of their Delegates.

The attitude of the Senate remains somewhat obscure, but the play of forces among the Senators is now becoming somewhat more easy to discern than it was at the time I wrote my despatch under reference. If the Shantung question can be settled on terms which China accepts, the general opinion seems to be that the treaties arising out of the Conference will be ratified by the Senate without real difficulty, although the debates will be prolonged. Without a Shantung settlement, ratification becomes much more problematical. Amongst the Republicans, Senator Borah has alone come out uncompromisingly against the Four-Power Treaty. On one condition only would he, he says, consent to vote for it, namely, that the Powers concerned should agree to restore within one year all the 'rights, interests, territory and sovereignty of all nations or governments having rights and interests in the region of the Pacific'. Later he speaks of the 'aggressions' in the Far East 'during the last fifty years'. Evidently the Senator's suggestion is that such territories as Formosa, Korea and Manchuria should be 'handed back', to say nothing of the Philippines and Guam. The policy of the Idaho Senator is not likely to gain many adherents if Shantung has been settled and his usual companion in these crusades, Senator Hiram Johnson from California, is, I learn, meeting with difficulty owing to the wholly unexpected enthusiasm which is developing in his State for the Four-Power Treaty. If the results of the Conference are such that they can be placed before the country as a Republican success, the party, with their eye on the elections which will commence in the autumn, will not be slow to support ratification.

Amongst the Democrats, Senator Underwood has undoubtedly lost some prestige through his participation in what is regarded by many of them as a Republican enterprise, but he can still count on the adherence of a number of staunch friends. Senator Hitchcock,⁸ who can probably sway many of the remainder, has intimated in conversation that, while he reserves his opinion

⁷ At the Inter-Allied Conference at Cannes it was agreed that an international economic conference should be held at Genoa in the spring of 1922.

⁸ Democratic Senator for Nebraska.

until the results as a whole are before him, he sees nothing so far which would necessarily call for an adverse Democratic vote. Ex-President Wilson is apparently prepared to use his influence to prevent merely factious opposition. It seems probable therefore that, while much capital will be made by the Democrats out of the circumstances that the Republicans are carrying out the very policies which they succeeded in wrecking when they were in opposition, no very large number of Democratic Senators will be prepared actually to vote against ratification.

As regards the effects produced by the Conference on the commercial and industrial situation in this country, there is little to be added to what was said in my previous despatch. . . .⁹

From the outset the hope has been entertained in many quarters that as economic forces were fundamentally responsible for the call of the Conference on the Limitation of Armament, its basis might be broadened so as to enable it to review those economic difficulties abroad which handicap industrial production and throw millions of labourers into unemployment. Those are the difficulties which, after all, are uppermost in the minds of business men.

They are looking forward to a year of comparative prosperity in 1922, but their hopes are largely conditional on the economic recovery of Europe and therefore their attention has been almost entirely diverted from the Conference at Washington to the proceedings of the Supreme Council at Cannes and the proposed Conference at Genoa.

I have, &c.

A. C. GEDDES

⁹ The remainder of this paragraph is here omitted.

No. 548

Letter from Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
[Confidential/General/363/18]

Private

TOKYO, *January 13, 1922*

My dear Curzon,

I think that the Japanese are fairly well satisfied with the Washington Conference. They are under the impression (and I gather from the American Ambassador here and from others that it is probably correct) that they have considerably improved their international position in the eyes of America and are now regarded there as possessing more or less the same standards and ideas as Europeans. They are also glad because, unless something unexpected happens at the end of the Conference, their special interests such as the Dairen Lease, the Treaties of 1915,¹ and their position in Dairen

¹ The Dairen area in Manchuria had been leased by China to Russia in 1898 and subsequently transferred to Japan by the Treaty of Portsmouth of 1905 (see *B.F.S.P.*, vol. 98,

and Manchuria will have been handled vaguely and gently. The decisions as to naval reduction are accepted calmly, though the labouring classes show some signs of protesting not against disarmament but against the unemployment which it will probably occasion. The only point connected with naval reduction which really stirred public opinion was the proposed scrapping of the 'Mutsu'. Baron Den, Governor-General of Formosa and in the running for the Premiership at one time, said that he thought Kato would have shared the fate of Hara² on his return had he permitted it. The other point which seemed to touch them to the quick was the idea that the Quadruple Treaty included and therefore patronised Japan. But this interpretation was officially denied almost as soon as the general public heard about it.

Unless anything else turns up before the Conference closes, I should think that the present Japanese Cabinet will congratulate themselves. They will of course be violently attacked by the Opposition as soon as the Diet meets, but their hope is in Prince Tokugawa, President of the Upper House, who is bound to defend the policy of the Government though he does not belong to it and, besides, everybody will understand that such attacks are a matter of course. People doubt whether the present Premier will care to go on. Hara was a political Boss in the American sense: he loved his party and lived for it, spending his weekends in rushing off to make speeches in shaky constituencies. But Takahashi is rather a financier and man of ideas than a party politician. He is not an enthusiast or idealist, but if an idea strikes him as interesting he will not drop it, as Hara would have done, because it seems of no immediate use in party warfare. One of the ideas which he is known to favour certainly fits in with the present position, namely that Japan should cultivate the friendship of China and seek for economic rather than territorial gains on the mainland.

Europeans here are beginning to say that the military spirit of Japan is not what it was ten or fifteen years ago, that the influence of the military party is declining and that they could not persuade the nation to make another war to gain any advantage on the mainland of Asia. There is perhaps something in this, but I should prefer to say that the Japanese people know more about foreign politics than they did. They see for instance that they have to pay heavily for keeping troops in Siberia and that after doing so for more than three years there is no result. If the military party proposed to send a new expedition to China, they would certainly be met with a much more vigorous 'why[?]' than ten years ago. But I think it would be rash to conclude that the old military spirit would not reappear in all its strength if any cause appealed sufficiently to the national consciousness. The retention of northern Saghalin might prove to be such a cause.

I confess that I regret the termination of the Anglo-Japanese Alliance, but it was really dead before its termination. In negotiating with Uchida before the opening of the Washington Conference, I felt that I was dealing almost

pp. 735-40). The lease had been extended from 25 to 99 years in 1915, see *ibid.*, vol. 110, pp. 796-9. For other Sino-Japanese treaties of that year, see *ibid.*, pp. 791-808.

² See No. 428, n. 1.

with an adversary, at any rate with someone who doubted the friendliness of my Government and who did not intend to have more intimate relations with us than with the United States. This perhaps was not as clear to you from my telegrams as I meant it to be, owing to some error of the cypher. I wrote that the Japanese Government were reticent in dealing with us, because they thought that preliminary discussions between them and His Majesty's Government were not regarded with favour at Washington, but I see from the Print that this came out in London with *now* instead of *not*.³ The Japanese are at present very much under American influence, that is to say they think that they have an opportunity of placating a formidable adversary and mean to make the best use of it.

I have not had any instructions from you to press the Japanese to come to an understanding with the Chinese about Shantung and therefore, remembering how delicate our position in the matter is, have not done much more than ask Uchida how things are getting on. But I understand from the American Ambassador that he has used very strong language under instructions: he seemed to imply that he had told Uchida that if Shantung was not settled disagreeable questions about Manchuria might be raised.

The Crown Prince is now installed as Regent.⁴ I imagine that there were difficulties at the Palace and that the Empress did not quite like the change. She has now retired with the Emperor to Hayama near Kamakura and did not appear at the New Year's ceremonies, at which the Crown Prince definitely took the Emperor's place—a thing which he had not been allowed to do before. Chinda is Master of the Crown Prince's Household and must exercise very considerable influence, but he seems tired and not anxious to play a great role. The Crown Prince is very European in his tastes. Makino⁵ told me that the Empress complained of it. Apparently the British equivalent of her Imperial Japanese would be 'Drat the boy, nothing Japanese is good enough for him'. But he seems to be popular. A mystery still hangs over his marriage and many people say that he wants to break off the engagement. Considering how strong popular feeling was in the spring, it would seem most rash to make any change particularly as Japanese ethics permit of his having subsidiary wives. But it is remarkable that no public announcement has been made about the wedding and also that the Court people do not like talking about it.⁶

Yours sincerely,
C. ELIOT

³ The reference is to Sir C. Eliot's telegram No. 404 of 1921, i.e. No. 397 above. This was in fact correctly received in the Foreign Office. The error was made in the telegram sections printed for circulation to missions abroad.

⁴ Cf. No. 457.

⁵ Count Makino, Minister of the Imperial Household.

⁶ The Crown Prince's engagement to Princess Naga-ko of the Shimazu family was a break with the long tradition according to which only members of the Fujiwara family were permitted to marry into the Imperial family. The marriage eventually took place in 1924.

No. 549

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 17 Telegraphic [F 123/4/10]

FOREIGN OFFICE, *January 14, 1922, 6.30 p.m.*

Your telegram No. 10 last paragraph.¹

You have full discretion to act as you think best.

Facts reported in your telegram No. 6² have been embodied in a note to Chinese chargé d'affaires who has been informed that the continued failure of the Chinese government to deal with the matter is making a most unfortunate impression upon His Majesty's Government who may find themselves compelled to take special action in defence of their interests.³

Would despatch of a gunboat to Amoy, if there is none there already, assist you in bringing Chinese government to reason?

Repeated to Washington Delegation No. 194.

¹ Of Jan. 8, not printed. In the last paragraph Sir B. Alston said that he 'would propose . . . to be guided by events as to accepting invitation if received to dinner with Minister for Foreign Affairs'. In the meantime he had accepted an invitation to the President's New Year banquet on Jan. 11.

² No. 530.

³ This note of Jan. 14 is not printed.

No. 550

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 15, 8.30 a.m.)

No. 266 Telegraphic [A 376/2/45]

WASHINGTON, *January 14, 1922*

Your telegram No. 189.¹

Please refer to my telegram No. 257.²

I should have great difficulty in obtaining any amendment to agreement now arrived at.

All arguments referred to in your telegram No. 189 have already been used by me during the discussion. It will be seen that revised agreement allows 18 months from coming into force of treaty which may take for practical purposes no less than 2 years from present time. This is only one year less than you propose. I will however explain views of my government as to great sacrifice Great Britain is being asked to make and will use this fact to obtain agreement for us to retain 'Collingwood' and 'Colossus'.

With regard to 'Superb' my naval advisers did not press for this ship to be exempt from destruction in view of the fact that proposed experimental work for which she was to be used could be completed during next two years, provision for which has already been allowed for in sketch estimates.

¹ No. 543.

² No. 542.

With regard to 'Agincourt' uses for which she is intended are clearly inconsistent with general principles of treaty and her retention is quite indefensible. It must be borne in mind that my difficulties do not arise from any suspicions as to our *bona fides* entertained by my colleagues in conference—least of all by Mr. Hughes. They are due to extreme importance of avoiding anything which can be misrepresented to an un-informed public and mis-used by wreckers in Senate. To imperil treaty would be sheer madness from Treasury point of view; to put in anything which would cause prolonged anti-British debate, ending in a reservation by Senate would show some political unwisdom. I propose to proceed in accordance with these views—but shall do my best to retain 'Colossus' and 'Collingwood'.

No. 551

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 15, 8.30 a.m.)

No. 268 Telegraphic [A 377/2/45]

WASHINGTON, January 14, 1922

Your telegram, No. 190.¹

You will see that Singapore is excluded from area proposed for application of *status quo*. Even if Baron Kato does not accept this area, I do not anticipate difficulty in excluding Singapore, as there is already an informal understanding to that effect.

¹ No. 544.

No. 552

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

*No. 198 Telegraphic [F 104/1/23]**

FOREIGN OFFICE, January 17, 1922

My telegram No. 159.¹

In view of our unfortunate experience in the past, we consider it necessary to defer submission of treaty for ratification to the King until Senate have actually adopted by necessary two-thirds majority resolution advising the President to ratify.²

We think, therefore, you should make it clear to United States Government that His Majesty will ratify so soon as ratification by the President

¹ Of Jan. 2, not printed.

² The reference is to the Quadruple Pacific Treaty; see No. 499. In a minute of Jan. 7 Sir E. Crowe had written: 'We have in the past had most unfortunate experience in such matters. In a number of cases where the conclusion of particular treaties was urged upon us by the U.S. government, American ratification was finally withheld owing to the traditional attitude of the Senate.'

is definitely assured in this way. Course we should prefer would be simultaneous ratification by the King and the President on a day to be fixed by previous understanding between His Majesty's Government and the United States Government. Treaty would then become operative by the actual exchange or deposit of ratifications at Washington.

Please explain the position to Japanese and also to French representatives, if you think desirable.

The earliest date on which we can ratify will, of course, depend upon time taken to secure assent of Dominion Governments, and on the possibility of discussions in Parliament being necessary, both here and in the dominions.

No. 553

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received January 20, 11.55 a.m.)

No. 20 Telegraphic [F 299/148/10]

PEKING, January 18, 1922, 7.30 a.m. [? p.m.]

My telegram No. 11.¹

Situation remaining unchanged, my colleagues and I addressed further note to Chinese government today warning them that unless immediate steps were taken to prevent interference with central salt administration it would be necessary for authorities of governments interested in reorganization of loan agreement of 1913 to devise means to deal with the situation themselves.

Official information has since been received that, following the example of the navy, Wupeifu has given orders to detain the whole Hupei salt revenue for military purposes from today, and we . . .² supplemented our note by joint verbal representations to Minister for Foreign Affairs whom we warned of seriousness of the situation.

Representations here will prove of no avail unless supported by a naval demonstration in the Yangtse at places affected, but my French colleague is still without a reply from Paris while Japanese government hesitates to authorize naval action until effects of further diplomatic pressure are seen.

Delay will only increase the difficulty of dealing with the matter and I would urge that representations be made in Paris and Tokio with a view to enabling demonstration to be made as soon as possible in order to emphasize that China must conduct internal disputes without interfering with revenue of services affected by international agreements.

¹ No. 537.

² The text is here uncertain.

No. 554

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received January 20, 8.30 a.m.)
No. 21 Telegraphic [F 290/148/10]

Confidential

PEKING, January 18, 1922, 7.35 p.m.

My immediately preceding telegram.¹

It is reported but not yet confirmed that Wu Pei Fu also contemplates seizure of customs revenues in Hu-pei and I think we should be prepared to consider concentration of as many of our own cruisers as possible in the Yangtse with or without co-operation of French or Japanese.

Repeated to Tokio and to Commander-in-Chief.

¹ No. 553.

No. 555

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received January 20, 11.55 a.m.)
No. 19 Telegraphic [F 298/298/23]

TOKYO, January 18, 1922

Military attaché is informed by Japanese Ministry of War that (? concrete) (? construction)¹ and gun equipment have just been completed on Bonin Islands. Although details are not available, it is (? understood that) military roads have also been constructed and that whole work has been pushed on with all speed in anticipation of Washington conference. It is said that a festival was recently held to celebrate completion of work and that personnel of military working parties now exceeds in number the local population.

It is reported that work has begun on the islands of Hachijo between Japan . . . Oshima Yakujima² and Okinawa lying to the south of Kyushu under a five years' scheme.

Japanese Ministry of War inform military attaché that work under a ten years' scheme has been begun on new defences of Bungo Strait.

¹ The text as sent here read: 'the concrete work'.

² The text received was here uncertain. The text as sent read: 'Japan and the Bonin Islands and on Amami-Oshima, Yakujima'.

No. 556

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received January 21, 1.20 p.m.)
No. 20 Telegraphic [A 519/2/45]

TOKYO, January 18, 1922

Minister for Foreign Affairs took a rather gloomy view of the prospects of Washington conference to-day. He saw no hope of a Shantung settlement, and feared that Spanish government's questions¹ as to fortification of Pacific Islands were rendering a general agreement difficult. Japan must insist on Bonin and Liuchieu archipelagos being regarded as part of the main islands, but was ready to maintain their fortification² *in statu quo*, if United States gave a similar undertaking about the Philippines and Guam. But see my telegram No. 18³ of to-day.

¹ The text as sent here read: 'that subsidiary questions'.

² The text as sent read 'fortifications'.

³ The text as sent here read 'No. 19', i.e. No. 555 above.

No. 557

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 20, 8.30 a.m.)
Unnumbered Telegraphic [F 291/257/10]

WASHINGTON, January 19, 1922

Addressed to Peking, No. 2. Repeated to Foreign Office.

Question of Chinese Eastern Railway is now before the conference.

American chairman of sub-committee, to whom the matter has been referred, is anxious that you should, if possible, associate yourself with your American colleague in his discussions with Chinese government. Japanese minister at Peking is understood already to have received instructions to do so.

Two difficulties are anticipated:

1. A disinclination on the part of Chinese government to accept anything in the shape of international control however innocuous it may be.
2. A disposition on the part of China to be misled by specious concessions on the part of Soviet government into making some arrangement with them prejudicial to general policy of preserving line intact in trusteeship for re-constituted Russia and as link in an international high road of the first importance.

American ideas run on the following lines:

1. To separate entirely technical and political control.
2. To assign former definitely to present Russo-Chinese organization established under original contracts of 1896 and 1898.¹

¹ For these contracts, see MacMurray, vol. i, pp. 74 ff., and pp. 154 ff.

3. To assign latter to political board of an international character preferably under American chairmanship as in the case of present technical board but, of course, with Chinese representation.

4. This board not necessarily to be composed of technical men, but preferably of men with political experience such as consul at Harbin.

5. To organize an efficient Chinese railway police force somewhat on the lines of General Munthe's police at Peking.²

It would be of assistance to know your general views after consultation with American Minister.³

² i.e. the special corps of Chinese trained in accordance with the 'Boxer Protocol' of 1901 to protect the foreign legations at Peking: its commander, Lt.-Gen. J. W. N. Munthe, was a Norwegian.

³ Sir B. Alston replied in his telegram No. 5 of Jan. 25 to Washington, which was not repeated by Sir A. Geddes to the Foreign Office until Feb. 20 (Washington telegram No. 76). Sir B. Alston's views were as follows:

'1. Chinese attitude *vis-à-vis* international control amounts to far more than disinclination.

'All their energies have been directed to utilizing disappearance of Russian government as a means to asserting their own claims to the supreme control of [? as] the only surviving member of Russian-Chinese partnership pending re-appearance of Russian government recognised by China. See agreement dated 1920 enclosed in my despatch No. 740 of November 12th 1920. [Not printed; cf. No. 127.]

'2. China in her relations with Soviet government has been always guided by two factors:

'(a) The necessity for keeping on terms with any *de facto* Russian government in view of enormous extent of undefended frontiers.

'(b) Improvement of the attitude of other powers particularly Great Britain towards Soviet government.

'China is not interested in any policy of acting as trustee of Russian interests but see only their [*sic*] own advantage in recovery of sovereign rights and levying of large squeezes for their own officials.

'As regards American proposals:

'(i) Chinese claim that this has been already effected by agreement of 1920 under which they have not only proceeded to oust Russian control over lines but are also assuming control formerly (? exercised) by railway in administration of railway zone.

'(ii) This organisation has been altered out of all recognition under agreement of (? 1920), with the result shown in my telegram No. 403 [of Oct. 27, 1921, not printed] and proposal to assign technical control to Russo-Chinese organisation either in its original or present form is the subject of proposal put forward by Stevens [U.S. Representative on and President of the Inter-Allied Technical Board of the Chinese Eastern Railway; for his proposal cf. No. 254, n. 3] and supported by His Majesty's Government (? on the) principle (? that) powers of technical board should be increased so as to give them complete technical and financial control.

'3. In the meantime control would presumably amount in effect to control of municipal administration in railway zone including town of Harbin with its foreign population of over 200,000. Chinese will oppose this even more bitterly than control of railway itself. It is difficult to imagine any foreign power being willing to share in such a responsibility.

'4. Only use that can be made of non-technical foreigners is in continuance of foreign representation in Harbin municipality on the lines of Anglo-Russian agreement of 1914 to which it is essential that United States should adhere pending constitution of recognized (? Russian government) with which surrender of political rights attaching to railway can be negotiated with Chinese government in due course.

'5. Creation of efficient police force is an admitted necessity but only chance of attaining it is by negotiating for it with Chinese government apart from control of railway.

'To sum up, Chinese will regard attempt to obtain international control as tantamount to differentiating between Manchurian and Chinese property and further to differentiating between northern and southern Manchuria and there is no hope of obtaining their agreement. Moreover the *status quo ante* depends for success on the assumption that foreign loan will be necessary for the maintenance of the line. Only practical method of giving effect to policy of preserving line intact in trust for reconstituted Russia is to adhere to lines of scheme as originally submitted by United States government to Japanese and ourselves and approved in principle by His Majesty's Government (see Foreign Office telegram to Washington No. 171 of 1921 [the reference is possibly to F.O. telegram No. 273 to Washington, i.e. No. 276 above]) with addition of provision to deal with municipal situation at Harbin which has since become urgent. This would imply:

- '(a) Increased powers of present technical board in technical and financial matters.
- '(b) Consortium loan unless foreign governments' debts can be recovered forthwith.
- '(c) Organisation of effective Chinese police as a question apart from control of railway.
- '(d) Arrangement for maintenance of administrative control of Harbin with foreign representation.

'I have read this telegram to United States minister who informs me that he has already approached Minister for Foreign Affairs with American proposals and found him "inhospitable".

'Japanese minister has not mentioned the matter either to United States minister or myself.

'Please repeat to Foreign Office.'

No. 558

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 20, 9.20 p.m.)

No. 278 Telegraphic [F 300/138/10]

Urgent

WASHINGTON, January 20, 1922

Wei-hei-wei. I have already indicated my very strong opinion that if Japan, with our warm approval, surrenders to China her rights in Shantung, we cannot decently retain Wei-hei-wei for ourselves.¹ But I see no reason why we should not request Chinese government to give us the right to use it as a summer sanatorium. I see no reason to doubt their readiness to meet our wishes. Probably most practical thing to do would be to institute an Anglo-Chinese commission with local knowledge to proceed to the spot and arrange matters for approval of respective governments; but while this is so there may well be particular points on which it may be desirable to obtain formal assurances from Chinese delegation before conference ends. I refer to such matters as right to use Wei-hei-wei as a summer sanatorium for fleet, leasing from Chinese owners on a commercial basis of such things as cricket club, . . .² club, and golf links on Liukungtao island as well as grounds standing (*sic*). There must also presumably be some formal assurance that property rights of British and other foreigners at Wei-hei-wei shall be respected. Conditions postulated by French in respect of Kwangchowwan (see page 8 of minutes of Far Eastern Committee December 3rd—see my despatch No. 82)³

¹ See No. 453.

² The text is here uncertain.

³ This despatch of Dec. 30, 1921 (not printed) transmitted a copy of the minutes of the 12th meeting of the Far Eastern Committee. The reference is to M. Viviani's statement; see *C.L.A.*, pp. 1062-5.

seems [*sic*] not a bad model on which to base our desiderata. It might be well to consult Admiralty and Colonial Office. Chinese delegation who have been informally sounded make reasonable point that they will have to consult their government before defining implied status of port, i.e., whether 'treaty port', 'self-open port' or what. Chinese minister this morning hinted that it might be placed on footing with Peitaiho, but I am not clear whether this would be sufficient at a place where there is at least some small British trade.

I do not desire to act with unnecessary haste, but as I may have to face sudden and unforeseen situation, I should be glad to know your views at earliest moment.

I am repeating this telegram to His Majesty's minister at Peking in order to have benefit of his advice on any special provisions as to status of Wei-hei-wei which he considers essential.

Repeated to Peking.

No. 559

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 20, 11.55 a.m.)*

No. 281 Telegraphic [A 504/2/45]

Secret

WASHINGTON, January 20, 1922

Mr. Balfour to Lord Curzon.

It has not been possible wholly to avoid some discussion of the laws of war. We have dealt with limited aspects of the problem in connection with submarines and poison gas.

American delegation were inclined to institute extension of enquiry covering the whole ground with a view to reform of international law based on experience of the late war. This is difficult to resist in theory though most undesirable in practice.

After some preliminary discussion the matter was referred to committee on drafting to prepare a resolution. Mr. Root, who is chairman of that committee, introduced at short notice a resolution providing for an elaborate enquiry. We are represented on that committee by the ambassador who succeeded in securing the withdrawal of American resolution and in getting Mr. Root to agree privately that he should prepare a draft and pass it to Mr. Root for introduction as an amendment to American resolution.

Malkin¹ and the ambassador immediately prepared a new draft limiting the field of enquiry effectively to consideration of the abuses of new agencies of warfare in general accordance with original American agenda for conference. This, the ambassador has persuaded Mr. Root to accept for introduction as new American proposal. In Root draft proposal it is provided that report on misuse of new agencies of warfare is to be submitted to five powers who shall thereupon confer as to acceptance of report and course to be followed to make its recommendations effective.

This seems to be the least harmful course to which it is possible to get Americans to agree.

¹ Mr. H. W. Malkin, Assistant Legal Adviser to the Foreign Office.

Mr. Balfour (*Washington Delegation*) to the Marquess Curzon of Kedleston
(Received January 23, 8.30 a.m.)
No. 290 Telegraphic [F 322/69/10]

WASHINGTON, January 22, 1922

Following sent to-day to Peking, No. 3.

Shantung conversations are now at following stage:¹

Agreement has been reached on all questions except salt (which presents no insuperable difficulty) and railways. As regards railway,² price to be paid by China is settled: but no agreement has been arrived at either as to method and time of payment or as to nature of control to be exercised by Japan till payment is completed. Japanese delegation after refusing Chinese offer of payment in cash have agreed to accept deferred payment in Treasury notes on the following conditions:

1. That notes mature in fifteen years with the option of redemption on or after five years.
2. That money for redemption is not borrowed from a foreign country other than Japan.
3. That satisfactory arrangements are arrived at as regards control.

After Japanese delegates had declined proposal for appointment of co-equal assistant Chinese and Japanese traffic managers as administratively unworkable and excluded by precise instructions from Tokyo, Mr. Hughes and I put above-mentioned financial scheme before Chinese delegates accompanied by following proposals for control which we are convinced represent extreme limit of Japanese concessions:—

1. Throughout the period of repayment there shall be co-equal Chinese and Japanese chief accountants on railway.
2. During five years' period prior to possible redemption, traffic manager shall be Japanese appointed by China on recommendation of Japan. He will, of course, be subordinate to Chinese director-general of railway. In general, Japanese railway personnel will be replaced subject to equitable arrangements as regards notice or compensation. During the second half of this five years' period a Chinese assistant traffic manager may be appointed by China.
3. Should China fail to redeem in five years, Chinese assistant traffic manager will be withdrawn but on China giving six months' notice at any time of intention to redeem he may be reappointed so as to facilitate transition from Japanese to Chinese traffic management.

4. After consulting with your American colleague who is receiving corresponding instructions you should most strongly urge Chinese government to accept these terms which Mr. Hughes and I regard as only ones which have

¹ In his despatch No. 17 of Jan. 20 to Mr. Lloyd George (not printed) Mr. Balfour had reported that the Shantung conversations, which had been suspended *sine die* on Jan. 6, had been resumed on Jan. 11.

² i.e. the Shantung railway.

the chance of securing to China possession of railroad and evacuation by Japanese of Shantung.

Following arguments may be useful:

(a) These terms are, as I have said, extreme limit which Japanese delegation can be induced to accept. It should be borne in mind that when Washington conference began Japan was determined to accept nothing less than joint enterprise in Shantung railway.

(b) They are very favourable to China as they ensure immediate recovery of all ex-German rights in Shantung and opportunity to obtain entire control over railway within five years. Moreover China obtains great concessions in acceptance by Japan of Treasury notes.

(c) If China rejects this offer no equally favourable opportunity for settlement will occur for years. Meanwhile, Japan will remain in possession. Probably also all benefits of the present conference will be lost.

(d) Odium of breakdown of negotiations and possibly of all treaties concluded at Washington conference, many of which are of the greatest benefit to China, will be attributed to Chinese unreasonableness by the civilized world.

(e) Any agreement reached now will be taken formal note of at Washington in the presence of representatives of all the powers assembled in the conference which will furnish the strongest moral sanction for its execution.

Speaking generally you should draw sharpest contrast between the position which China will occupy if she accepts this solution and the position if she refuses it. In the first case she will obtain the goodwill of the civilized world and opportunity of using to the full all advantages of the Washington conference. Japan will have restored all that Germany extorted from her, possessions and privileges which she could never have recovered for herself, while railway which is the only subject of dispute will come largely under her control at once and completely under her control in five years.

In the second case she will lose one of the chances which are given once but rarely given again. No Chinese statesman six months ago entertained the hope that terms so favourable could be secured. If this opportunity is allowed to pass what Chinese statesman in the future will dare to hope that advantages now thrown recklessly aside will ever be recovered for his country? In addition to these general considerations you should point out that the proposal is final, and that matter is of the greatest urgency as the conference is nearing an end. Chinese delegation in referring the question to their government for instructions are insisting on immediate answer.

American minister is receiving similar instructions.³

In view of breakdown of Pacific cable, please concert with your American colleague means for expediting rapid transmission of Chinese reply.

Not repeated to Tokyo.

³ See *F.R.U.S.* 1922, vol. i, pp. 941-3.

No. 561

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received January 25, 8.30 a.m.)
No. 26 Telegraphic [F 383/138/10]

PEKING, January 23, 1922, 7.10 p.m.

Following sent to Washington delegation, No. 4.

Your telegram No. 278 to Foreign Office: Wei-hei-wei.¹

In my opinion it would be essential that the whole island of Liukungtao, together with portion of leased territory on the mainland should be given the status of 'treaty port' with an international settlement on the lines of Kulangsu (see Hertslet, p. 774);² Peitaiho is part of 'open port' of Chinwangtao, and having no international settlement it would be quite unsuitable as a model for Wei-hei-wei.

All private property on Liukungtao was purchased from Chinese owners by His Majesty's Government in 1898 at cost of some £25,000 while public property was handed over by Chinese government under lease of territory. Joint commission would therefore be necessary to determine method for foreign property rights in addition to formal assurance that (? lease) in perpetuity will be granted to all foreign landholders on the same basis as at other treaty ports.

Formal assurance should also be given that port will be connected with Chefoo-Weihsien railway.

I am ignorant of conditions formulated by French in respect of Kwangchowwan, but it would be impossible to maintain naval sanatorium establishments within a purely Chinese municipal and police administration, and therefore right to establish international settlement appears to me to be a *sine quâ non*.

¹ No. 558.

² The reference is to Hertslet's *China Treaties*, vol. ii.

No. 562

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)
No. 25 Telegraphic [F 313/69/10]

FOREIGN OFFICE, January 24, 1922, 11 p.m.

Your telegrams Nos. 20 and 21.¹

I was on the point of instructing His Majesty's ambassadors at Paris and Tokyo to urge the governments to which they are accredited to authorise the necessary arrangements being made forthwith for such joint demonstration as you and your French and Japanese colleagues may think necessary. In view of Mr. Balfour's telegram No. 290² I should be glad to learn whether,

¹ Nos. 553 and 554 respectively.

² No. 560.

remembering our experience of China's attitude over Tibetan negotiations after the Versailles decision in regard to Shantung,¹ you think postponement of such action desirable until present acutely critical stage of Shantung negotiations has been passed.

I deprecate separate British action suggested in your telegram No. 21, particularly in a former British sphere of interest. If threats to seize customs revenue develop I trust it may be possible to secure American participation in any joint action.

Repeated to Washington No. 220.

¹ See Vol. VI, No. 643, n. 3.

No. 563

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 24, 10.35 p.m.)

No. 294 Telegraphic [A 616/2/45]

WASHINGTON, January 24, 1922

I have had series of conversations with Mr. Hughes and Baron Kato in regard to *status quo* in Pacific. Baron Kato has convinced Mr. Hughes and myself that definition of *status quo* in area described in my telegram No. 261¹ cannot be accepted by Japan for reasons of (? internal) politics. He tells me that Japanese government are apprehensive that agitation against this proposal may take anti-British form and that if proposal is pressed Japanese government will fall. Baron Kato was obviously relieved when informed that rectangle had been proposed as a convenient method of drafting *status quo* in proposal which he himself had originated. He announced his intention of telegraphing this to his government. Last night Baron Kato produced a draft for article 19 of naval treaty.

I introduced certain amendments to place beyond doubt exclusion of Singapore (in which Baron Kato acquiesced) as well as territories of Australia according to a formula desired by Senator Pearce; also to limit *status quo* in fortification of coast defences. I have since discussed draft with Mr. Hughes who tells me that American delegation have accepted all my amendments. During this conversation Mr. Hughes volunteered . . .² of course Singapore was excluded as it was neither island nor in Pacific.³ American delegation, however, desire alterations in Baron Kato's draft in order to secure that *status quo* shall apply not only to existing island possessions but also to possessions hereafter acquired by the three powers. Also they wish to include Okinawa Shima as well as Amami O Shima in Japanese islands to which *status quo* applies. Finally they (? consider that) definition of *status quo* should be confined to naval facilities and leave free commercial development of ports. Draft article 19 in its latest form including both British and American amendments is contained in my immediately following tele-

¹ No. 545; cf. *F.R.U.S. 1922*, vol. i, pp. 245-6.

² The text is here uncertain.

³ This conversation took place on Sunday, Jan. 22.

gram.⁴ I propose to accept it. Baron Kato is telegraphing this text for approval of his government. His only comment on American amendment was that there might be difficulty as regards Okinawa Shima.

⁴ This draft ran as follows:

'United States of America, British Empire and Japan agree that *status quo* with regard to fortifications and naval bases shall be maintained in their respective territories specified hereunder:

'1. Insular possessions of United States in the Pacific Ocean now possessed or hereafter acquired except (a) those adjacent to coast of United States including Alaska and the Panama Canal zone and (b) Hawaii Islands.

'2. Hongkong and insular possessions of British Empire situated in the Pacific Ocean and east of Meridian 110° east longitude now possessed or hereafter acquired except (a) those adjacent to coast of Canada; (b) Commonwealth of Australia and its territories; (c) Dominion of New Zealand.

'3. Following insular possessions of Japan in Pacific Ocean to wit: Okinawa Shima, Amami O Shima, Bonin Islands, Formosa, and Pescadores and any insular possessions in the Pacific Ocean which Japan may hereafter acquire.

'Maintenance of *status quo* under foregoing provisions implies that no new fortifications or naval bases shall be established in territories specified; that no measures shall be taken to increase existing naval facilities for repair and maintenance of naval forces and that no increase shall be made in coast defences of territories above specified. This restriction however does not preclude such repair and replacement of worn-out weapons and equipment as is customary in naval and military establishments in time of peace.'

No. 564

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 25, 8.30 a.m.)

No. 299 Telegraphic [F 377/69/10]

WASHINGTON, January 24, 1922

My telegram No. 290¹ was sent as the result of conversation which Mr. Hughes and I had on Sunday morning² with Chinese delegation. This conversation was the culminating point in series of informal negotiations between Chinese and Japanese delegates.

Proposals laid before Chinese delegates represent the maximum concessions which Japanese delegation can be induced to accept and they will only do so in order to close Shantung question definitely.³ At Sunday's meeting

¹ No. 560.

² i.e. Jan. 22.

³ In para. 14 of his despatch No. 17 of Jan. 20 to Mr. Lloyd George (not printed) Mr. Balfour had reported how, at an informal meeting with the Japanese delegation on the evening of Jan. 18, he had 'impressed upon them, to the best of my ability, the vital necessity, in the interests not only of their own country but of the whole world, of using their utmost endeavour to facilitate a settlement. I pointed out that to the ordinary man in the street, the difference between the two Delegations must seem infinitesimal, and what, I asked, would be the effect on the world at large if it should prove that not only the Shantung question but possibly the whole labours of the present Conference should wreck on so trivial a matter as whether the Japanese should have a Traffic Manager and an Accountant or merely a Chief Engineer on the Shantung line? I felt that in such an event, not only the Japanese Delegates, but also those who, like Mr. Hughes and myself, had done their best to further a settlement would have regretfully to admit the utter failure of our endeavours.'

Mr. Hughes made it perfectly clear to Chinese delegates that this offer was absolutely final and that, if they rejected it, all responsibility would rest with them. He said that the President, government and delegation were solid in this view. My main endeavour was to induce Chinese to exercise some sense of proportion. After feeble protests, Chinese delegates promised to refer decision to their government. American telegram to Peking which was concerted with us is stiffer than our own.⁴ As supposed friend of China, America can do more good than we by plain speaking. My aim was rather to give Chinese government arguments with [*sic*] which they can undoubtedly accept. One object in sending these telegrams was to ensure that Chinese government is under no delusion as to vital necessity of an immediate acceptance or as to its own responsibility.

Repeated to Peking for repetition to Tokyo.

⁴ See No. 560, n. 2.

No. 565

*Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 27, 8.30 a.m.)*

No. 304 Telegraphic [F 397/138/10]

Urgent

WASHINGTON, January 26, 1922

My telegram No. 278¹ and Peking telegram No. 4. Wei-hei-wei.²

The more I consider matter, the more convinced I become that it is undesirable to get drawn into any discussion of detailed arrangements with Chinese delegation here. What is required is a clear statement on our part that we are prepared to hand back leased territory on condition that we continue at liberty to use it as sanatorium for the fleet in the summer, that the property rights of foreign owners are respected and that foreign rate-payers shall have adequate representation in municipal government of the place. All matters of detail to be reserved for decision by a local Anglo-Chinese commission to be appointed within three months of conference.

As a general principle we cannot reasonably insist on better terms than Japanese are giving at Tsingtao.

The question is bound to come up very shortly now and I should be glad to learn that His Majesty's Government endorse these views.

Repeated to Peking.³

¹ No. 558.

² No. 561.

³ In his telegram No. 319 of Jan. 31 (not printed) Mr. Balfour repeated to the Foreign Office Sir B. Alston's telegram No. 11 of Jan. 29 to Washington which read: 'I agree that details should be left to local commission but I think that we are entitled to stipulate for status of treaty port and railway connection'.

No. 566

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received January 27, 8.30 a.m.)

No. 305 Telegraphic [A 657/2/45]

WASHINGTON, January 26, 1922

Your telegram No. 206.¹

Question of sale of surplus warships to non-signatory powers was brought up by me at meeting of naval committee yesterday and there was strong and unanimous expression of feeling on the part of the five signatory powers that it would be incompatible with whole spirit of naval treaty to permit, pending ratification, disposal, whether by sale, gift, or other transfer, of vessels of war of any kind in such a manner that they might become part of the fighting forces of any other power. It was therefore resolved, after some discussion, that it should be regarded as a point of honour by the five signatory powers that none of their warships should be thus disposed of, as from yesterday's date, and that this agreement, in addition to being formally recorded in the minutes of the conference, should be at once communicated by delegations to their respective governments. I fully realize the financial sacrifice which this self-denying ordinance entails on Great Britain, but it was not considered practicable to differentiate between the countries or types of vessel and it was strongly felt that nothing but complete prohibition would prevent the possibility of serious and undesirable disturbances of the balance of naval strength as between South American or Mediterranean minor powers.

¹ Of Jan. 18, not printed. This had enquired whether the provisions of the draft naval treaty, 'as they now stand', would preclude the sale to Brazil of surplus vessels of various classes. For the final text of this treaty 'for the Limitation of Naval Armament', signed on Feb. 6, see Cmd. 1627 of 1922, No. 1.

No. 567

The Marquess Curzon of Kedleston to Sir B. Alston (Peking)

No. 29 Telegraphic [F 383/138/10]¹

FOREIGN OFFICE, January 27, 1922, 6 p.m.

In a report of August 19, 1921 to the Colonial Office Sir E. Stubbs states that if the mainland were to revert to China as a treaty port Weihaiwei would shortly cease to exist as a commercial port.²

Again in a letter to the Colonial Office from Mr. E. E. Clark of Weihaiwei (copy of which was sent to you on January 11)³ if the place is turned into a treaty port the trade will cease and the merchants concerned suffer heavy losses.

¹ Only the approved draft of this telegram has been traced in Foreign Office archives.

² This report is not printed. Sir E. Stubbs was Governor of Hong Kong.

³ Not printed. Mr. Clark was a partner in Messrs. Laver & Clark Ltd., the leading British firm in Weihaiwei.

Do these views affect the opinion given in paragraph one of your telegram No. 26?⁴

Repeated to Washington.

⁴ No. 561.

No. 568

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 228 Telegraphic [Confidential/China/30/86/66]¹

FOREIGN OFFICE, *January 30, 1922*

Your telegram No. 312.²

Following for Mr. Lampson from Mr. Wellesley:

'We have telegraphed to Peking that we propose to endorse Mr. Balfour's views.³ At the same time telegram No. 304⁴ has been sent to the Colonial Office, who have been told that, subject to their concurrence and to the observations of His Majesty's Minister at Peking, we propose to endorse its contents.⁵ Will expedite as much as possible.'

¹ The original document (filed as F 421/138/10) has not been preserved in the Foreign Office archives. This text has been reproduced from a volume of Confidential Print.

² Of Jan. 28, not printed. This had asked Mr. Wellesley, an Assistant Secretary in the Foreign Office, to expedite the reply to No. 565 above.

³ i.e. on Weihaiwei.

⁴ No. 565.

⁵ In his telegram No. 231 of Feb. 2 (not printed) Lord Curzon informed Mr. Balfour that the Colonial Office concurred.

No. 569

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received February 1, 10.30 p.m.)
No. 36 Telegraphic [F 491/138/10]

PEKING, *January 31, 1922, 7.50 p.m.*

Your telegrams Nos. 29¹ and 31² have crossed my telegram No. 11 to Washington delegation.³

There appear to me to be only two ways of dealing with this question.

1. To return leased territory to China to become an un(? opened) port, which His Majesty's Government would have special privilege for using as a naval sanatorium; or

2. To return it to become port open to trade where in addition foreigners generally could own land [? and] trade.

(1) would entail a novel departure and is unlikely to prove acceptable to Chinese. It would also entail extinction (presumably against compensation)

¹ No. 567.

² Of Jan. 30, not printed. This had asked for Sir B. Alston's observations on No. 565 above as soon as possible.

³ See No. 565, n. 3.

of all foreign property rights other than those of His Majesty's Government and missionary bodies.

(2) therefore remains and appears to be the solution indicated in Mr. Balfour's telegram No. 278⁴ by references therein to safeguarding of property rights generally and to existence of some small British (? traders).

Of ports open to trade there are two kinds: (a) 'Treaty Ports' opened by agreement between China and a Foreign Power (b) 'Open Ports', opened by China of her own volition. In the case of transfer we can stipulate, within limits of treaty, precedent of conditions under which trade and residence shall be carried on: in the case of (b), we must take or leave China's offers.

In view of the fact that we desire to continue a naval sanatorium at Wei-hai-wei and that we have certain moral obligations to foreigners who have acquired property rights there, we should in my opinion obtain for place, after rendition, status of a 'treaty port' and give small trading interests which already exist maximum chance of survival by stipulating in addition for railway connection with the hinterland.⁵

⁴ No. 558.

⁵ Lord Curzon minuted: 'I understand that Mr. Balfour has now given up Wei Hai Wei (as he evidently always meant to do) without even stipulating that the French should give up Kwangtung! C 3/2.'

No. 570

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 1, 8.30 a.m.)

No. 315 Telegraphic [F 471/69/10]

WASHINGTON, January 31, 1922

Following received from Peking No. 6 January 26th.

Instructions conveyed in your telegram No. 3¹ which reached me yesterday morning January 25th carried out this morning before meeting of Cabinet.

Minister for Foreign Affairs requested me to convey to you profound appreciation of (? President) and himself for your advice with which they were both in entire accord. Unfortunately recent 'political storm' which had resulted in the absence of the Premier at this critical moment² had delayed decision being reached but he hoped to despatch instructions to Chinese delegation by tomorrow evening. His Excellency stated that the time was too short to overcome public opposition to Japanese terms and mentioned that Chinese had asked for 12 and 3 years for redemption instead of 15 and 5, that whereas they were ready to agree to 15 it would facilitate matters if option of 3 could be conceded instead of 5. I implored him not to allow such a trivial face-saving excuse to interfere with the settlement of a matter of life and death to China and (? emphasiz)-ed that offer was final. I assured His Excellency that United States minister and I were ready to support him

¹ No. 560.

² See penultimate paragraph and n. 3 below.

in any way that might occur to him to prevent this unique (? opportunity), which would never occur again, being thrown away.

His Excellency promised to lay my representations fully before the Cabinet and if possible to let me have their decision in advance of instructions which they may send to Washington.

Political storm mentioned by Minister for Foreign Affairs is the disappearance yesterday of the Premier as the result of popular opposition to his alleged willingness to assent to Japanese terms.³

United States minister received his instructions on January 24th and saw Minister for Foreign Affairs on the same day.⁴ We are in close communication.

Please repeat to Foreign Office.

³ Mr. Balfour, in his despatch No. 19 of Jan. 25 to Mr. Lloyd George (not printed), had written: 'According to newspaper reports, which are confirmed in the main by information received from Peking by the State Department, the Premier, Liang Shih Yi, has taken temporary leave of absence. This is doubtless a result of the movement led by General Wu-Pei-fu who appears to be taking a very strong line on the Shantung issue; and viewed from a distance there seems to be a real danger that there may be no Chinese statesman with sufficient courage to assume the responsibility of settling with Japan on the only terms available.'

⁴ For the U.S. Minister's account of this interview, see *F.R.U.S.* 1922, vol. i, pp. 944-5.

No. 571

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 1, 8.30 a.m.)

No. 316 Telegraphic [F 467/69/10]

WASHINGTON, January 31, 1922

Following received from Peking No. 7 of January 26th.

My immediately preceding telegram.¹

At my suggestion United States minister called at Wai-Chiao-Pu this evening to support my representation.²

Minister for Foreign Affairs informed him that cabinet still hope that Japanese will agree to immediate redemption of funds for which . . . (? are)³ now being sought by national subscription and to appoint co-equal Chinese traffic manager on the same footing as Chinese accountant.

If, however, it is found impossible to obtain these concessions Chinese delegation are authorised to accept terms stated in your telegram No. 3.⁴

Minister for Foreign Affairs is explaining decision of cabinet to political leaders tonight and instructions to delegation will be sent tomorrow.

Please repeat to Foreign Office.

¹ No. 570.

² For the U.S. Minister at Peking's account of his interview, see *F.R.U.S.* 1922, vol. i, pp. 945-6.

³ The text is here uncertain.

⁴ i.e. No. 560.

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 2, 5 p.m.)

No. 324 Telegraphic [F 501/138/10]

WASHINGTON, February 2, 1922, 9.45 a.m.

Fifth plenary session took place on February 1st¹ when full conference adopted all (? initial) resolutions passed since last plenary session. Sole exception was customs resolution² which was reserved as matter of convenience till the nine-power treaty respecting China comes before conference.

Mr. Hughes then read in full text on [? of] various arrangements, declarations, and agreed questions respecting Shantung which had last night been formally communicated to him and myself by Chinese and Japanese delegates.

Announcement, which was met with marked expressions of public approval, was followed by statement by Baron Shidehara expressing profound satisfaction at close of this long-standing question. Japanese delegation was (? specially) gratified for good offices of Mr. Hughes and myself which have paved the way for a settlement. Our services will long be remembered by grateful Japan, and doubtless also by grateful China. Such adjustments could not personally satisfy everyone; but broader (? aspect) was that this long-standing vexatious question should have been successfully removed and existing atmosphere of irritation set at rest. Both Japan and China had put forward their best efforts to secure amicable arrangement, and their efforts have met with their just reward.

Mr. Sze³ on behalf of Chinese delegation expressed similar gratitude for our good offices. He referred to terms of President's invitation to conference; Chinese delegation rejoiced that not only (? had) President's hope (? to be) enhancer of friendly relations generally been met, but that an end had been put to a controversy which had long caused such friction between China and Japan.

It was evident that psychological moment had been now reached when an announcement respecting Wei-hai-Wei would have most striking effect and make the greatest appeal to general public. Fully conscious of exchange of views which I have had by telegraph with His Majesty's Government I yet felt we could not afford to miss present opportunity. Accordingly, after thanking Chinese and Japanese delegations for their courteous references to part I had played in negotiations, I proceeded to allude to altered circumstances set up by present Shantung agreement between China and Japan. China thereby regained in full sovereignty a great port and a great railway in what I believe to be her most densely populous and cherished province. But there still remained leased territory of Wei-hai-Wei. Here I made a short historical reference to conditions in which we had originally obtained that

¹ For the minutes, see *C.L.A.*, pp. 182-277.

² See No. 519.

³ Chinese Minister at Washington and a member of the Chinese delegation to the Washington Conference.

lease from China emphasizing that it had been as an equipoise to German and Russian encroachments on China and in no sense with aggressive intent, its object having been purely defensive and against Russia. Circumstances had now profoundly changed, and Kiaochow was now being restored to China. I therefore had to announce to conference that under like and similar conditions to those just read to conference Great Britain proposed to restore Wei-hei-wei to the country within whose frontiers it lay. So far it had been used as a sanatorium for ships of war requiring recuperation after heat of tropics; I did not doubt that the port would remain available for that innocent and healthful use in time to come. Wei-hei-wei would be restored to China in full sovereignty, and in making necessary arrangements we should doubtlessly be guided by arrangements made in Sino-Japanese agreement just reached on Kiaochow. With this restoration great province of Shantung would revert to status which every Chinese citizen must desire—namely, that of an integral part of Chinese Republic.

At end of session Mr. Sze, speaking on behalf of delegation, thanked me warmly for my announcement. There could be no better testimony of friendly sentiments of Great Britain towards China than this spontaneous offer, and it would always be remembered as a generous act, and as (? inaugurating) policy of territorial integrity of China, so dear to heart of Chinese people.

I feel confident that in these circumstances His Majesty's Government will recognise that I was fully justified in taking action recorded above. To have done less would have placed His Majesty's Government in an invidious and really most undesirable position.⁴

Repeated to Peking for Tokio.

⁴ In reply to Mr. Newton's suggestion, endorsed by Sir W. Tyrrell, that it would be 'a graceful reference to the last paragraph of this telegram to express H.M. Government's full confidence that Mr. Balfour has used his discretionary power to restore Wei-hai-wei to China in the best spirit of true statesmanship', Lord Curzon said he could not send another telegram 'congratulating him upon the one weak spot'. For the congratulatory telegram actually sent to Mr. Balfour, see No. 578 below.

No. 573

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)

No. 233 Telegraphic [F 439/138/10]

FOREIGN OFFICE, *February 2, 1922, 6 p.m.*

Admiralty have written to say that they have always contemplated and trust that it will be possible to come to an agreement with the Chinese government whereby His Majesty's ships will be allowed to use Wei-hai-wei during summer months as heretofore; and they have sent a memorandum of requirements which they suggest should be communicated to you, leaving it to your judgment to decide which, if any, of these requirements should be mentioned at the present time.¹

¹ The Admiralty's letter of Jan. 30 and enclosed memorandum are not printed.

Substance of the memorandum is as follows:

'(1) Right to visit Wei-hai-wei without restrictions or harbour dues, (2) To land men without restrictions, (3) To land, store and ship without restrictions or duties any goods required for naval use, and (4) To retain any properties required for above purposes and to lease further properties required for such purposes in the future.

'Admiralty hope permission may be obtained for rifle practice &c. and towing of targets within 3-mile limit. Certain buoys to be maintained by Admiralty or Chinese government to undertake to do so for British use. Harbour control to be competent and Chinese authorities to maintain proper order and sanitation on shore.'

Admiralty are aware that you do not wish to enter further into detail than is necessary in discussing this question, and in communicating the above it must be understood that we do not wish to fetter your discretion.

A reply will be sent to your telegram No. 304 as soon as we hear from the Colonial Office.²

² See Nos. 565 and 568, n. 5.

No. 574

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 3, 8.30 a.m.)

No. 325 Telegraphic [F 508/110/10]

WASHINGTON, February 2, 1922

In view of most recent reports from Peking (see Sir B. Alston's despatch No. 709)¹ and with direct encouragement of American delegation I have been endeavouring though with small success to obtain from conference a re-affirmation of China arms embargo of May 1919.

I brought forward a resolution on January 24th, but Italian, Dutch and Belgian delegations then stated that they must first consult their governments. All three have since signified their assent but this, in the case of Italians, was qualified by a reservation similar to that which they made at Peking in 1919 respecting outstanding contracts.²

Direct and inevitable result has been that Japanese delegation whose consent had been promised in advance have now objected on not unreasonable ground that Italian reservation places them in impossible position of holding back perfectly solvent Japanese contracts to (? aggregate) value of yens 22 million which had been signed but not executed prior to May 1919 whilst Italy suffers under no corresponding disability. These Japanese contracts

¹ Of Dec. 5 (received in the Foreign Office on Jan. 18, 1922), not printed. This had reported that the firms of other countries 'interpret the arms embargo in a manner far less stringent than ourselves' and that 'the salutary effect of the embargo' was 'minimised if not entirely nullified when persons in the position of Chang-tso-lin can obtain what supplies they need'.

² See No. 68 above, n. 5.

were for supplies to (a) Central Government, (b) Nanking Provincial Government, (c) Hupei Government.

It has been pointed out to Japanese delegation that to flood China with such large consignments of arms immediately on the heels of Washington conference may well create bad impression, more especially as everyone seems agreed that in principle arms embargo is proper policy. None the less Italian reservation places Japanese government in very embarrassing position *vis-à-vis* their own manufacturers and merchants.

Discussion, which had been adjourned in consequence of Japanese objections, was resumed on afternoon of the 30th.

No progress however was possible so long as Italians agreed [*adhered*] to letter of their instructions which they were not in a position either to modify or explain.

I therefore withdrew resolution, observing that the subject was one which must be now dealt with through ordinary diplomatic channels. Japanese, Americans and I, on behalf of British Empire, made it clear that so long as Italian subjects were permitted to import arms into China, subjects of other nations would have to be granted similar liberality.³

Repeated to Peking for repetition to Tokyo.

³ In his despatch No. 21 of Feb. 2 to Mr. Lloyd George (not printed) Mr. Balfour amplified the position as follows: 'Both Mr. Hughes and I have left no doubt that our respective Governments share this [*i.e.* the Japanese] point of view, and finally, at Mr. Hughes' suggestion, it has been left to the Italian Delegation to file their contracts with the Secretariat General of the Conference and make out the best case they can to justify their reservation, which if the circumstances reported by His Majesty's Minister at Peking are correct, they may not find it altogether easy to accomplish.'

'The results are thus purely negative. Nevertheless they appear to me to have justified my action and to be more satisfactory than the present intolerable situation.'

No. 575

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 3, 8.30 a.m.)

No. 326 Telegraphic [F 509/138/10]

WASHINGTON, February 2, 1922

Mr. Balfour's announcement on return to China of Wei-hai wei has made an excellent impression. There is not as yet any editorial comment on it in press but many leading newspapers have despatches from their Washington correspondents registering surprise and pleasure at the promptness of our action. There is a tendency to criticize French for not having been equally prompt over Kwangchow-Wang, a tendency which M. Sarraut attempts to counteract in to-day's press by statement that return of that place should be made the subject of direct negotiations between Paris and Peking.¹

¹ With reference to a note by Mr. Newton to the effect that the conditions and time limits of the French rendition of Kwangchow-Wan were to be determined by agreement between

It is felt in political circles that Shantung settlement coupled with cession of article 3² will react in favour of ratification of Far Eastern treaties by Senate. A long debate punctuated possibly with delays while domestic legislation is taken up is however probable.

Repeated to Peking for Tokyo.

the Chinese and French Governments, Sir W. Tyrrell commented: 'I wish we occupied the French position in this matter. W.T. 8/2.' Lord Curzon added: 'I have felt all along that we have been given away. C 8/2.'

² This should presumably read: 'cession of Weihaiwei'.

No. 576

Sir C. Eliot (Tokyo) to the Marquess Curzon of Kedleston
(Received February 6, 8.30 a.m.)

No. 30 Telegraphic [N 1154/9/57]

Confidential

TOKYO, February 2, 1922

Minister for Foreign Affairs expressed today satisfaction at results of Washington conference and said again that he is most grateful to Mr. Balfour for his assistance in settling Shantung question. His only fear was that some of many unreasonable political factions in China might prevent settlement from being more than nominal. He spoke of retrocession of Kiaochow and Wei-hai-Wei as parallel cases whereas Japan's lease of Dairen continued to be governed by treaty of 1915.¹ Japanese government were most anxious to withdraw their troops from Vladivostok but United States government recognised that it was not in the interests of peace that they should do so at present and His Excellency appeared to regard question of withdrawal as being for practical purposes unaffected by anything that conference had done. He drew a clear distinction between evacuation of Siberia and of northern Saghalin. Of the latter he said that 'the whole general question must be discussed with a proper Russian government, whenever there is one', and it seemed to me doubtful whether he contemplated restoration of a Russian administration. Military Attaché however informs me that general staff were quite plain in their language and regarded evacuation as settled and inevitable.

The press has shown less interest in conference since discussion of naval ratio and quadruple agreement ended. Some papers express satisfaction at recognition of Japan's right to station troops in Siberia until order is restored² but at the same time they recommend early evacuation.

Prince Tokugawa was received without enthusiasm on his return. Elaborate precautions were taken for his safety and a small hostile demonstration was prevented.

¹ See No. 548, n. 1.

² For discussion of Siberian questions at the Washington Conference, see *C.L.A.*, pp. 1394-1415 and pp. 340-57.

Minister for Foreign Affairs said that Russo-Japanese negotiations at Dairen were stationary but he thought Chita government was still hoping for assistance from United States of America. When conference closed and no assistance was forthcoming they would probably be ready to come to terms with Japan. If any agreement were eventually made it would be in the interest of both parties that it should be approved by government of Moscow which he said was changing for the better.

No. 577

Letter from Sir J. Jordan to Sir W. Tyrrell (Received February 7)

[F 572/42/10]

LONDON, February 2, 1922

My dear Tyrrell,

You asked me to put in writing the views which I expressed to you the other day about the treatment of Chinese Tariff questions at the Washington Conference.

There were two questions involved: (1) the revision of the present rates to bring them up to an effective 5%; and (2) a demand by China for a further increase which was strongly supported by the United States.

The first presented no difficulty and was accepted without discussion. It was the second one which gave rise to acute differences of opinion.

The negotiations on the British side were conducted by Sir R. Borden, with Sir Hubert Llewellyn Smith and myself acting as advisers. Sir Hubert came to the Conference with a cut and dried programme, while I had none. He had been in consultation with the Manchester Chamber of Commerce and had their authority and that of the Board of Trade for offering an increase of $2\frac{1}{2}\%$ over and above the effective Treaty rate of 5%. He had also come to the conclusion that this increase should not be made dependent upon the enforcement of Article 8 of the British Treaty of 1902¹ which both he and the Manchester Chamber of Commerce were prepared to drop.

To me this was a totally unexpected development which in all my experience of this question I had never heard mooted before. I had always looked upon the eventual abolition of the inland dues as an object to be kept steadily in view, however far from realisation it might be at the moment. I therefore strongly demurred to any departure from the 1902 Treaties as a retrograde measure which would be viewed with grave misgiving by foreigners and Chinese alike. An unconditional increase of $2\frac{1}{2}\%$ would, in my opinion, remove all incentive to modify the inland dues and would make a dead letter of the 1902 Treaties. The British America Tobacco Company and other big concerns in China were already entering into private arrangements for the conduct of their inland trade on the basis of these Treaties and the Associated Chambers of Commerce in China had repeatedly passed Resolutions in favour of their enforcement. All our previous Tariff agreements had been concluded in China after exhaustive examination of the

¹ See No. 469, n. 3.

circumstances and I urged that no fundamental change of policy should be adopted without giving the commercial interests on the spot an opportunity of expressing their views.

After much discussion I reluctantly agreed to the increase provided it could be effectively earmarked for railway construction and similar productive works, but I adhered to the view that the principle enunciated in Article 8 of the 1902 Treaty should be maintained.

Another point on which there was a sharp difference of opinion related to the unsecured debts contracted by the Peking Government. Mr. Odagiri, the Japanese Representative,² wished to make it a condition of his consent to any increase of duty that a portion of the proceeds should be applied to the payment of these debts. I argued that to allocate Customs funds as *ex post facto* security for loans of the Nishihara type made to a discredited Peking clique³ would expose us to the criticism both of our own people and the Chinese and would act as a direct incentive to the speculative ventures which had made Peking finance a by-word throughout the world.

A telegram from the Foreign Office, which confirmed the views I had expressed with regard to the 1902 Treaty, cleared up the situation considerably⁴ and in the end the whole question was entrusted to a Commission which is to sit at Shanghai and which is given full latitude to deal with it in all its hearings.⁵

My sole object in writing is to sound a warning note against repeating at Shanghai the risk which was run at Washington. As things are in China, the Tariff question is largely a political one which involves a multitude of considerations with which the Board of Trade alone are not, in my opinion, competent to deal. Had their proposals been accepted on the present occasion, you would have received vigorous protests from the British commercial interests in China which would have justifiably resented their being ignored on a question in which they have always been consulted in the past.

Incidentally, I may mention that the Washington Conference established one principle of vital importance to the future foreign trade of China. Ever since the 'eighties of last century the duties upon land-borne traffic entering or leaving China have been about a third less than those upon goods entering by sea. The introduction of railways has done away with the necessity for this anomaly, but the French, in particular, made a strong fight for its retention on the Tonquin-China frontier. Senator Underwood, however, who was the American representative on the Committee, stood out against any discrimination from the outset and stoutly refused to recommend any arrangement which did not provide for complete equality of treatment all round. After rejecting several compromises, he eventually carried his point & succeeded in establishing this very important principle.

Yours sincerely

J. N. JORDAN

² Director of the Yokohama Specie Bank, and member of the Japanese delegation to the Washington Conference.

³ See No. 97, n. 4.

⁴ Probably No. 507.

⁵ See *C.L.A.*, pp. 1166-81.

The Marquess Curzon of Kedleston to Mr. Balfour (Washington Delegation)
No. 237 Telegraphic [A 829/829/45]

FOREIGN OFFICE, *February 3, 1922, 5 p.m.*

Now that the labours of your colleagues and yourself are drawing to a close and that the infinite patience, ingenuity and ability shown by all the members of the British delegation at every stage of the Washington proceedings appear certain to be crowned with success, the Cabinet desire to send you their warmest congratulations. Your joint work in the conference and especially the distinction and judgment with which you have led the delegation have done more than any episode for many years to remove misunderstandings, promote a clear vision of common interests, and strengthen the enduring ties of friendship between the American people and ourselves. At the same time it has helped to lay firm the foundations of peace, not merely for the Eastern hemisphere, but for the whole world. The gratitude of His Majesty's Government is, we are convinced, equally that of the entire country.

Mr. Balfour (Washington Delegation) to Mr. Lloyd George¹
No. 23 [F 701/257/10]

WASHINGTON, *February 4, 1922*

Sir,

Of the subjects on the American agenda for discussion at Washington there was none that from the outset offered such small prospect of solution as the Chinese Eastern Railway.

2. Realising the peculiar complexity of the question, Mr. Hughes at once referred it to a sub-committee of experts when it came before the Conference. As already recorded in my despatch No. 19 of January 25th,² the report of this sub-committee (a copy of which is already in your hands)³ was referred back to a sub-committee of full Delegates for further study and report. This sub-committee has been no better able than the expert sub-committee to suggest a practical solution.

3. The circumstances in which the inter-Allied Technical Board at Harbin came into being need hardly be recalled here; nor the difficulties which it has steadily encountered since it was set up. The Board was instituted for a specific purpose, namely, the efficient working of the Trans-Siberian and Chinese Eastern Railway systems during the allied military operations in the zones which they serve. With the withdrawal of the allied troops from

¹ A copy of this despatch was received in the Foreign Office on Feb. 15; cf. No. 584 below, n. 2.

² Not printed except for the extract in No. 570, n. 3.

³ This report was transmitted as enclosure 3 in Mr. Balfour's above-mentioned despatch No. 19. For the text, see *C.L.A.*, pp. 1376-9.

Trans-Baikalia in 1920,⁴ the original purpose of the Technical Board had been fulfilled. It was kept alive for purely political reasons wholly alien to the original objects for which it had been established.

4. The Board became in fact, if not in name, an international observation post to watch events upon the railway and to guard against the absorption of the Chinese Eastern Railway by any Power or Powers pending some authoritative and indisputable decision as to its true ownership. Since then the abolition of all Russian authority on Chinese soil has taken place, and a further complicating factor has arisen in the determination of the Chinese Government to profit by the collapse of Russia and to assert their control over the railway and the railway zone without waiting for their reversionary interest in the line under the original contract of September 8, 1896, to mature.

5. These were the facts with which the expert sub-committee were confronted. And in face of them it is not easy to see what recommendation they could have made with any prospect of common acceptance. Their terms of reference were 'to consider at once whether there was anything that could be done at this Conference which would aid in promoting the efficiency of the railway and its proper management'. To do this left them with no alternative but to recommend something running counter to Chinese aspirations.

6. The expert sub-committee accordingly recommended three things: (1) the abolition of the present inter-Allied Railway Committee at Vladivostok and of the Technical Board at Harbin and the establishment in their place of an international Finance Board to exercise general financial control and trusteeship over the line; (2) that the technical operation of the line should be definitely and entirely in the hands of the Chinese Eastern Railway Company; and (3) the organisation of an effective police force, composed if considered desirable of Chinese but under the control of the Finance Board, to ensure the proper protection of the railway and of the railway zone. In this report the Chinese technical expert was unable to acquiesce, for the reasons stated in the reservations which he attached to the report.⁵

7. These were the conflicting points of view which the sub-committee of full Delegates was called upon to reconcile. And their first step was to consider a counter-scheme put forward by Dr. Wellington Koo (copy enclosed)⁶ in which he sought to find a basis of compromise between the Chinese and majority points of view. At first it seemed possible that some basis of agreement might be reached. But a sharp cleavage speedily developed between the Chinese, Japanese and French Delegations.

8. I need not trouble you with details of the discussions, full particulars of which are recorded in the official minutes. All attempts to find a basis of agreement failed and finally Mr. Root, as Chairman of the sub-committee, moved a 'shelving' resolution which it was decided to submit to the main Committee. At the same time he suggested that the Powers other than China should pass a formal reservation warning China of the obligations which she

⁴ See Vol. VI, e.g. Nos. 666, 685, 721, 780 and Chap. I above, Nos. 13, 17, 18, and 21.

⁵ See *C.L.A.*, pp. 1378-81.

⁶ Not printed.

was assuming towards the various foreign interests in the Chinese Eastern Railway Company for which she would be held formally responsible.

9. Mr. Root reported to the full Committee on Pacific and Far Eastern Affairs on February 2nd when the Resolution and Reservation were duly passed (copies enclosed).⁷

10. It is thus obvious that this Conference has failed to solve the question of the Chinese Eastern Railway. But it is difficult to see what other course could more profitably have been followed. One of the basic principles adopted by the Conference in its initial stages was the reassertion of respect for Chinese sovereign rights. That principle is in itself irreconcilable with the establishment, without Chinese consent, of any degree of foreign control (however much justified by precedent) over a railway running for over one thousand miles through Chinese territory. Yet if the efficient working of that railway as a necessary link connecting Europe with Eastern Asia and the sea and its proper management are to be achieved, some degree of foreign control seems almost essential.

11. The Chinese Delegation refused to accept the hand held out to them by the Conference at Washington. Possibly events may prove that they were well-advised. On the other hand, they have rejected a practical scheme of foreign assistance made in all sincerity and under the direct inspiration of the American Government. This scheme had been acquiesced in by all the interested Powers, and would have had the advantage of permanently assuring the non-alienation of China's ultimate reversionary rights in the line. History alone can judge on which side the balance of advantage to China lies.

I have, &c.

ARTHUR J. BALFOUR

⁷ Not here printed. See *C.L.A.*, pp. 1500-9.

No. 580

*Mr. Balfour (Washington Delegation) to Mr. Lloyd George*¹

*No. 24 [F 823/138/10]**

WASHINGTON, February 4, 1922

Sir,

You will have gathered from the various telegrams that I have sent during the last three months on the subject of Wei-Hai-Wei² that the problem of its retention or abandonment by Great Britain is one that has greatly occupied my thoughts. Now that in the exercise of the discretion left me by His Majesty's Government I have publicly stated that Great Britain is in favour of abandonment, it may be desirable that I should state concisely some of the main reasons which have led me to adopt this course.

¹ A copy of this despatch was received in the Foreign Office on Feb. 24.

² See e.g. Nos. 425, 453, 511, 558, 565, 572, and 575.

In the history of Wei-Hai-Wei since it was leased to Great Britain under the Convention of 1898,³ there is certainly nothing which suggests that, either for political or military reasons, British occupation should be continued. That history falls naturally into three periods, marked off from each other by the varying objects which from time to time were held to justify the occupation. The first may be called the Russian period, and its object, as described in the lease, was to provide 'for the better protection of British commerce in the neighbouring seas for so long a period as Port Arthur should remain in the possession of Russia'. Port Arthur is no longer in the possession of Russia, British commerce in the neighbouring seas needs no special protection, and were it otherwise we might well doubt whether Wei-Hai-Wei is the best base from which to protect it. However this may be, it is at least clear that the Russian period came to an end with the Treaty of Portsmouth in 1905, when Port Arthur was formally ceded by Russia to Japan.

The second period may be called the German period. Though Russia had left Port Arthur, Germany was still at Kiaochow; and while this state of things continued Japan was most anxious that Great Britain should remain at Wei-Hai-Wei. The wish was acceded to, and under the arrangement of 1906 remain she did.⁴

The third period may be called the Japanese period. It dates from the expulsion of the Germans in 1914 from the Shantung peninsula by Japanese forces, aided by a small British contingent, and it ended on the 3rd February, when China and Japan publicly agreed to the treaty, which was formally signed on the following day at Washington in the presence of Mr. Hughes and myself.⁵

It was at the open session of the 3rd [1st] that I announced that (with due reserves as to details) His Majesty's Government proposed to surrender their special rights in Wei-Hai-Wei.⁶ The statement was received with the warm and universal approval of the whole assembly to which it was made. This was natural enough. Its members gave up nothing, and could applaud without misgiving this dramatic example of the spirit of goodwill and mutual accommodation then happily in the ascendant. It remains, however, to be considered whether this instinctive judgment ought, or ought not, to be endorsed by critics who are in a position to look with an impartial eye and full knowledge at all sides of the question.

It must of course be admitted that no nation should abandon, without anxious consideration, its position in any territory which it lawfully controls, but no considerations which I am able to give to this particular case reveal any important British interest, material or moral, which would suffer by the surrender to China of what remains of our lease. As things are at present

³ See *B.F.S.P.*, vol. 90, pp. 16-17.

⁴ Cf. *British Documents on the Origins of the War, 1898-1914*, edited by G. P. Gooch and Harold Temperley, vol. iv (London, 1929), p. 116.

⁵ For the text of this treaty for the Settlement of Outstanding Questions relative to Shantung, signed on Feb. 4, see Cmd. 1627 of 1922, No. 30; cf. *C.L.A.*, pp. 200-15.

⁶ See No. 572.

this seems obvious. It is universally admitted that from a commercial point of view Wei-Hai-Wei is insignificant, that from a strategic point of view it is worthless, and that, as far as we are concerned, it serves no useful purpose but that of a summer resort, where ships on the China station and visitors from Chefoo can enjoy the advantages of a cool climate, security under British rule and freedom from Chinese taxation. It may no doubt be urged that the future may show Wei-Hai-Wei in a light of which the present gives small promise. But is this likely? It was originally leased for military and naval reasons; but it has never been used for military or naval purposes in the past, and it is safe to say that it never will be so used in the future. In the first place, the potential enemies against whom it was to serve as a protection have vanished from the scene. Russia threatened the equilibrium of the East from Port Arthur, but Russia has gone. Germany threatened it from Kiaochow, but Germany has gone: and seeing that even while they occupied these formidable positions we never fortified Wei-Hai-Wei, are we likely to begin now? Of the three offices primarily concerned—the War Office, the Admiralty and the Treasury—which would regard with most dismay any serious proposal for turning Wei-Hai-Wei into a naval base? The first two would deem this policy a source of strategic weakness, the last would deem it a financial crime; none of them would for a moment suppose that it added anything to the defensive power of the Empire. Moreover, it has to be noted that the creation of a new naval base in these seas would certainly be contrary to the spirit, and probably to the letter, of the Naval Treaty of Washington. It could never be justified at the bar of international opinion.

If there is thus nothing to be said for the retention of Wei-Hai-Wei on strategic grounds, can we find political or economic grounds of greater force? To those who desire illumination on this point I commend a recent report on the leased territory by Sir E. Stubbs, the Governor of Hong Kong.⁷ The last paragraph reads as follows:

‘The prime needs of Wei-Hai-Wei (he observes) are two: certainty of tenure and a reasonable income. Given these two essentials, the territory, though it will never be a possession of any value except as a health resort for the navy and for British residents in China, can be made a credit to British rule. At present it is not.’

Of the two ‘prime needs’ mentioned in this somewhat discouraging pronouncement it is hard to say which is the least likely to be satisfied. As far as the ‘reasonable income’ is concerned, we may, I suppose, judge the future by the past. We have now administered Wei-Hai-Wei for nearly a quarter of a century, and throughout that period we have always been obliged to give it money, but have never been able to give it money enough. As Sir E. Stubbs observes, it ‘has been treated as a financial encumbrance on which as little money as possible should be spent’. Consider, for example, the case of education. This has been, and is, in the opinion of Sir E. Stubbs, a

⁷ See No. 567, n. 2.

'discredit to Great Britain'. And if this has been true in the days of our financial prosperity, how will it be in these days of financial difficulty? Are we going to be more free with our money in 1922 than we were, say, in 1912? Are we going to lower still further our reduced expenditure on the education of children in Great Britain in order to provide a larger subvention for the education of children in Wei-Hai-Wei? It seems to me improbable: and, if I am right, then Wei-Hai-Wei will remain in the future what, according to Sir E. Stubbs, it has been in the past—a discredit to our country.

But Sir E. Stubbs holds that some mitigation of this and similar evils might be expected if only we could supply the *second* 'prime need' of Wei-Hai-Wei—namely, 'security of tenure'. Now this can never be supplied. Doubtless Britain, had she wished it, could have retained Wei-Hai-Wei to the end of the lease; but what Englishman would confidently count on her doing so? It is a possession of little value, held by a transient and unsatisfactory title. The grounds on which a lease of it was first demanded have vanished; the grounds on which a renewal of that lease was negotiated have also vanished; if retained it would stand out before all the world as the solitary relic in Shantung of the unhappy era of Russo-Germanic aggression, against which, by a singular irony, its original acquisition was designed as a protest and a safeguard. Such a situation might endure for a time; but does any man think it could be lasting?

But if there are no reasons—strategic, administrative or economic—for keeping Wei-Hai-Wei, there are the strongest reasons of high policy for giving it up. The Conference of Washington was no ignoble wrangle for petty gains, where every concession made by a Great Power for a great object had to be paid for by an equivalent fragment of somebody else's rights. It was a sincere attempt to put international affairs, especially in the Pacific Ocean and the Far East, upon a footing at once more friendly and more stable. For historic reasons, into which it is needless to enter, there was no more formidable obstacle to the realisation of this ideal than the position Japan had acquired from Germany in the Shantung peninsula—first by hard fighting, then by treaty. Thus the restoration of that ancient province to China on equitable terms became a primary object of desire among the statesmen of all the countries interested in the peace of the Pacific—and not least among the statesmen of Japan and China—who were alone in a position to carry it into effect. The negotiations between them were long and arduous; they were at last successful, and the representatives of America and Great Britain may cherish the belief that by their constant sympathy and assistance they contributed something material to this happy result. But how could the British representative effectively urge the abandonment by Japan of a special position in Shantung while he knew that a special position in that province was to be retained by Great Britain? It may be easy to draw distinctions between the two cases; let me add that it would be entirely useless. If Great Britain had retained Wei-Hai-Wei after Japan, with the warm approval of Great Britain, had given up Kiaochow, the moral position of this country would certainly have suffered in the estimation of the world, and in my

opinion it would have suffered justly. For such a calamity the lease of a hundred Wei-Hai Wei's would have furnished a very insufficient compensation.

I have, &c.

ARTHUR J. BALFOUR

No. 581

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received February 8, 8.30 a.m.)

No. 44 Telegraphic [F 588/69/10]

PEKING, February 6, 1922, 7.50 p.m.

Minister for Foreign Affairs called this morning to convey messages from President and his government, of appreciation and thanks to His Majesty's Government, to Mr. Balfour and to the entire British delegation at Washington for their good offices in the settlement of the Shantung question. Minister for Foreign Affairs particularly desired me to convey to Your Lordship his own thanks for your goodwill in the matter and to Mr. Balfour for marked interest and solicitude which he had taken in assisting the Chinese cause. Chinese government realized that the agreement which was signed on February 4th¹ was a just one in spite of the feelings in some quarters that China should have got better terms.

I promised to convey these messages to Your Lordship as also to Mr. Balfour and to British delegation, by all of whom I felt sure they would be received with pleasure.

Minister for Foreign Affairs did not even allude to Wei-hai-wei.
Repeated to Washington.

¹ See No. 580, n. 5.

No. 582

Sir B. Alston (Peking) to the Marquess Curzon of Kedleston
(Received February 8, 8.30 a.m.)

No. 45 Telegraphic [F 593/4/10]

PEKING, February 6, 1922, 7.50 p.m.

My immediately preceding telegram.¹

I took opportunity of telling Minister for Foreign Affairs this morning that I could not help contrasting goodwill shown by His Majesty's Government towards China at Washington conference with that which was now being shown by Central government to His Majesty's Government in China. I referred to Amoy question as to which I had received a further telegram

¹ No. 581.

yesterday and about which I had intended to ask to see him today. In spite of President's and his own assurances to me after the New Year incident² no progress whatever had been made. At . . . to . . .³ Legation I had sent Mr. Clive to Amoy, who, acting on discretion I had given him, had authorised temporary cessation of Messrs. Butterfield and Swire's work in view of repeated declarations of Central government that this would enable latter to end boycott. It had had no such effect. On the contrary he found local officials had surrendered all authority into the hands of students and agitators who were determined to continue boycott. This proved conclusively that boycott was now directed against British government as firm of Butterfield and Swire were no longer concerned. In spite of this, Central government remained silent and thereby endorsed attitude of their officials. Threat with which his Excellency opened negotiations with me in his note of October 7th last, predicting trouble for us if we refused compliance with demands of agitators,⁴ turned out therefore to have been deliberate and I reminded him that I had told him at the time that this was an unusual way of conducting diplomatic business. Minister for Foreign Affairs as usual was at a loss for any answer and expressed intention of sending further telegrams to Amoy whilst I stated that I intended to telegraph to Your Lordship again in the sense in which I had just addressed him.⁵

² See No. 526.

³ The text is here uncertain.

⁴ Enclosed in Sir B. Alston's despatch No. 17 of Jan. 7, 1922 (not printed), received March 1.

⁵ An unnumbered telegram of Feb. 7 from Peking (not printed) said that the following final sentence had been left out of the above telegram: 'I added that in most countries when officials would not or could not obey instructions they were dismissed.'

No. 583

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 7, 8.30 a.m.)
No. 338 Telegraphic [F 573/138/10]

WASHINGTON, February 6, 1922

Wei-hai-wei.

On February 3rd I addressed a letter to Chinese delegation confirming my remarks at plenary session of February 1st.¹ I then referred in general terms to Admiralty desiderata enumerated in your telegram No. 233,² to the need of due respect of foreign property rights and of adequate municipal representation, and to possibility that we might look for linking of port with hinterland by railway. These matters might very possibly be most conveniently dealt with by a local Chinese commission much on lines of arrangement contemplated under recent Shantung settlement.

In his reply of February 5th Mr. Sze takes note of these remarks which he is

¹ See No. 572. This letter of Feb. 3 is not printed.

² No. 573.

at once communicating to Chinese government and again expresses thanks of Chinese people to His Majesty's Government for their generous action.³

Copies of correspondence by bag to-night.⁴

Repeated to Peking.

³ Not printed.

⁴ Transmitted under cover of Washington delegation despatch No. 153 of Feb. 5 (not printed), received on Feb. 16.

No. 584

Mr. Balfour (Washington Delegation) to the Marquess Curzon of Kedleston
(Received February 7, 10 a.m.)

No. 340 Telegraphic [F 574/257/10]

WASHINGTON, February 6, 1922

My telegram No. 276: Chinese Eastern Railway.¹

Proceedings before Far Eastern committee ended in what amounted to an *impasse* which was only met by a 'shelving' resolution introduced by Senator Root.

Full report leaves in my despatch by tonight's bag.²

Facts (? have) been fully summarised in a telegram of February 3rd from United States government to United States minister at Peking inviting Chinese government spontaneously to (? expedite) more adequate protection of line and to ameliorate the situation of Russians resident in the zone.³ They further suggest that China should now organise special police force for the zone under command of a competent 'neutral' foreigner such as General Munthe and should at once apply to other powers, parties or adherents to 1919 agreement for co-operation in maintaining the railway. State Department would be gratified if His Majesty's minister at Peking could co-operate as heretofore with his United States colleague in discussing this matter with Chinese government.

Repeated to Peking.

¹ Of Jan. 19, not printed. This had reported the decision on Jan. 18 by the Far Eastern Committee to refer the question of the Chinese Eastern Railway 'to a sub-committee of experts from all delegations, to report whether anything can be usefully done at this conference to promote efficiency of line'. See *C.L.A.*, pp. 1270-3.

² A copy of No. 579 above was transmitted to the Foreign Office in an unnumbered Washington Delegation despatch of Feb. 6, received Feb. 15.

³ See *F.R.U.S.* 1922, vol. i, pp. 882-3.

*Mr. Balfour (Washington Delegation) to Mr. Lloyd George¹**No. 27 [F 702/34/10]*

WASHINGTON, February 6, 1922

Sir,

I have the honour to inform you that the final session of the Washington Conference took place this morning.² It concluded with an impressive address of farewell from the President of the United States after the signature by the Delegates of the Nine-Power Treaty in regard to China, the Treaty embodying Resolutions in regard to Poison Gas and Submarines, the Treaty on Chinese Tariffs and the Supplementary Treaty to the Quadruple Pact³ which had already been signed. To this list should be added the Shantung Treaty between China and Japan, the signature of which took place on Saturday afternoon, the 4th inst. in the presence (by special request) of Mr. Hughes and myself.⁴ With these transactions my mission to the Washington Conference has reached its conclusion.

In my despatch No. 1 of Nov. 11th. 1921, written on the day preceding the opening of the Conference, I endeavoured to summarize the aims of the British Empire Delegation.⁵ These related in part to the limitation of Naval Armaments, in part to the settlement of certain political problems relating to China and the Pacific, without which no limitation of armaments could prove satisfactory or durable. Chief among these must be counted the problems raised by the Anglo-Japanese Alliance. This, which was originally designed to secure stability in the East, had, with changing circumstances, lost its value for that purpose; and being out of relation to the existing condition of affairs had become the cause of misunderstanding rather than a guarantee of peace. I suggested the advisability of substituting for it a Tri-Partite Agreement between the three great Naval Powers interested in the Pacific, namely, the United States, Japan and the British Empire. In the same despatch I pointed out that there were a number of problems relating to China which must be solved if our labours for the limitation of armaments were to produce an enduring result—making particular mention of the controversy relating to the Province of Shantung. The Treaties I have enumerated above achieve all these results.

It may be worth observing that if the Secret Memorandum submitted to the Cabinet by the Standing Committee of the Committee of Imperial Defence No. . . .⁶ be compared with the Naval Treaty it will be found that in

¹ A copy of this despatch was received in the Foreign Office on Feb. 15.

² This intelligence was reported briefly to Lord Curzon by Mr. Balfour in his telegram No. 339 of Feb. 6, not printed. For the proceedings of the final session of this Conference, see *C.L.A.*, pp. 396-405.

³ For the texts of these treaties, see Cmd. 1627 of 1922, Nos. 11, 2, 12, and 9 respectively.

⁴ For the text, see *ibid.*, No. 30.

⁵ No. 415.

⁶ The number of this memorandum, 280 B, was inserted in the printed copy. See No. 443, n. 3.

all essentials the safeguards of our Naval position therein enumerated have been fully secured. Nor has this result been achieved at the cost of any other nation. The financial burdens of the great Naval Powers have been alleviated with no injury to national honour or diminution of security.

For the Tri-Partite arrangement contemplated in my despatch No. 1, a Quadruple Treaty including France has been substituted. But this involves no change in policy but merely adds to the three signatories originally contemplated the only other great Naval Power owning insular possessions in the Pacific. Of the Nine-Power Treaty and the Treaty relating to Shantung between China and Japan, it is only necessary to say that they are, to the best of my belief, in complete harmony with the general policy of His Majesty's Government, set forth in memoranda prepared by the Foreign Office, and will provide the foundation of a solid and enduring peace in the regions of the Pacific and the Far East.

The labours of the Conference have been long and arduous. That they should have issued in these happy results is due to many co-operating causes. Its inauguration by the President in a speech worthy of the great occasion, the tact, ability and fairness displayed by the Chairman, Mr. Hughes, the moderation shown by the various delegations and their evident desire to reach a fair and satisfactory settlement, were contributory causes of the utmost value. Yet all these together might have failed of their effect had it not been for the bold statement in regard to the limitation of Naval Armament announced by the Chairman at the very first meeting. This was conceived in a spirit of high statesmanship which raised the whole level of our debates. In no other way would it have been possible, in my judgment, to have discussed the endless technical details of the Naval Agreement without being lost in a morass of petty disputations. By no other approach could we have reached the self-denying policy with regard to Naval bases in the Pacific which provides one of the great securities for Naval peace in that vast area.

By their initial announcement the American Government set a great example. The British Empire Delegation has from first to last endeavoured to follow it. If they have not been unsuccessful it is because throughout they have been animated by a spirit of the closest co-operation and complete mutual confidence. At their official meetings (which have been no less than 25 in number) all the principal subjects before the Conference have been fully discussed, and these gatherings have been supplemented by innumerable consultations of a less formal character. What is thus true of the heads of the British, Canadian, Australian, New Zealand and Indian Delegations is no less true of their various secretariats. Constant and friendly interchange of ideas rendered the working of the whole machine smooth and effective, while nothing could exceed the zeal, the ability and the self-sacrificing industry with which all the various staffs belonging to the Delegations carried out their work. Where all have done their duty to my entire satisfaction it would be invidious to distinguish between the work of individuals. It is perhaps, however, only fair to say that the heaviest work fell upon Admiral Sir Ernle

Chatfield in connection with Naval limitation of armament; on Mr. Miles Lampson of the Foreign Office in connection with China and Far Eastern questions; and, in connection with economic questions relating to the Far East, on Sir Hubert Llewellyn Smith, Chief Economic Adviser to His Majesty's Government. I would also specially mention the invaluable work of the Rt. Hon. Sir John Jordan, who voluntarily emerged from his retirement in order to place his unique experience at the disposal of the Delegation. Mr. Malkin, the legal adviser to the Delegation, has represented me on the drafting and legal Committee with his usual success. The work of the Publicity Officer, Sir Arthur Willert, has been very continuous and is highly appreciated, while my obligation to Mr. Maurice Peterson of the Embassy, who acted throughout as my private secretary, cannot easily be overestimated. The whole staff indeed showed not merely individual competence and zeal, but a capacity for co-operative effort which is beyond all praise.

To one other name I must make special reference. Sir Maurice Hankey was not only responsible for originally making the arrangements for the British Delegation, but was most intimately concerned in every phase of its work up to its penultimate stage. His services were invaluable. His great organising power, his unique experience of international conferences and the intimate knowledge of relevant facts which he owes to his position as Secretary of the Cabinet and of the Committee of Imperial Defence, gave him qualifications for public service which he used to the very utmost. Every member of the British Empire Delegation owes him a debt of gratitude, and the debt of none is so great as my own.

I may add that members of delegations other than that of the British Empire were sometimes glad to avail themselves of his services, which were always at their disposal.

When Sir Maurice was recalled to England by the pressure of other duties⁷ his place was taken by Mr. Christie, secretary of the Canadian Delegation. Mr. Christie has had experience in International work at Paris and Geneva, and he was on the staff of the Canadian Prime Minister at the meetings of the Imperial Cabinet last summer. He has turned the knowledge thus acquired to its best possible account, and I attach the utmost value to his services.

I have, &c.

ARTHUR J. BALFOUR

⁷ Sir M. Hankey had sailed from New York on Jan. 26.

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